

Friday, July 23, 2021, 8:30 a.m. (CST)
WSI Conference Room (Virtual Meeting Host)
Teleconferencing - 701.328.7950 Participant Code - 841811683#
1600 East Century Avenue, Bismarck, ND

AGENDA

- I. CALL TO ORDER AND ACCEPTANCE OF AGENDA**
 - A. Executive Summary
- II. ACCEPTANCE OF MINUTES (May 21, 2021, June 15, 2021)**
- III. ELECTION OF OFFICERS AND APPOINTMENTS for 2021-22 (15 minutes)**
 - A. Welcome new TFFR Trustee
 - B. Chair **Board Action**
 - C. Vice Chair **Board Action**
 - D. Parliamentarian **(Appointed by Chair)**
 - E. Audit Committee – Ms. Jan Murtha and/or Ms. Sara Sauter **(Appointed by Chair)**
 - F. Securities Litigation Committee – Ms. Murtha **(Appointed by Chair)**
 - G. Executive Review Committee – Ms. Murtha **(Appointed by Chair)**
- IV. INVESTMENTS (30 minutes)**
 - A. In State Investment Update – Mr. Trey Hart (Informational)
 - B. Interim Investment Update – Mr. Darren Schulz **Board Acceptance**
- V. GOVERNANCE (45 minutes)**
 - A. Executive Search Committee Update – Dr. Rob Lech
 - B. SIB/TFFR Combined Meeting Schedule – Ms. Murtha **Board Acceptance**
 - C. Contingency Funds – Ms. Connie Flanagan **Board Action**
 - D. Code of Conduct Affirmation - Mr. Matt Posch (Informational)
 - E. Investment Manager Catalog – Mr. Posch (Informational)
- VI. QUARTERLY MONITORING 6/30/2021 Questions Only Board Acceptance**
 - A. Executive Limitations/Staff Relations – Ms. Murtha
 - B. Budget/Financial Conditions – Ms. Flanagan
 - C. Investment Ends/Due Diligence – Mr. Schulz
 - D. TFFR Ends/PAS Project – Ms. Murtha

Next Meetings: Executive Search Committee - July 26, 2021
Securities Litigation Committee - August 5, 2021
Audit Committee - August 11, 2021
State Investment Board - August 27, 2021
- VII. ADJOURNMENT**

EXECUTIVE SUMMARY

SIB Regular Meeting

July 23, 2021 – 8:30am CT

- I. **Agenda:** The July Board Meeting will be held at the WSI Conference room to accommodate in person attendance, however, a link will also be provided so that Board members and other attendees may join via video conference. The board member video link is included in the email with the Board materials. There will be a call in number for the public.
- II. **Minutes:** The May 21, 2021, June 15, 2021 Board meeting minutes are included for review and approval.
- III. **A. Welcome New TFFR Trustee: Replacement for Ms. Gumeringer.**
B.-G. Election of 2021-2022 Officers and Appointment of Committees: Election of Board Chair and Vice Chair. Appointment of Parliamentarian and members of Audit, Securities Litigation, and Executive Review Committees by Chair.
- IV. **A. In State Investment Update:** Provided by 50 South.
B. Interim Investment Update: Provided by Interim CIO Darren Schulz.
- V. **A. Executive Search Committee Update:** Committee Chair Dr. Lech will provide the Board with an update on the status of the ED/CIO search efforts and committee work.
B. SIB/TFFR Meeting Schedule: Meeting schedule for the upcoming fiscal year.
C. Contingency Funds: Ms. Flanagan CFO will provide the Board with a budget update and prospective contingency fund use.
D. Code of Conduct: Mr. Posch will review the required annual Code of Conduct Policy Affirmations.
E. Investment Manager Catalog: Mr. Posch will review the Investment Manager catalog with the Board.
- VI. **Quarterly Monitoring 6/30/21:** The Board will receive the following information: Executive Limitations and Staff Relations, Budget/Financial Conditions, Investment Ends/Watch List, TFFR Ends/PAS Project. The Executive Limitations/Staff Relations information will be provided at the meeting; the remaining items are questions only.

Adjournment.

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
May 21, 2021, BOARD MEETING**

MEMBERS PRESENT:

Brent Sanford, Lt. Governor, Chair
 Rob Lech, TFFR Board, Vice Chair
 Troy Seibel, PERS Board, Parliamentarian
 Thomas Beadle, State Treasurer
 Jon Godfread, Insurance Commissioner
 Toni Gumeringer, TFFR Board
 Keith Kempenich, Legacy/Budget Stab. Adv. Board
 Bryan Klipfel, Director of WSI
 Adam Miller, PERS Board
 Mel Olson, TFFR Board
 Jodi Smith, Commissioner of Trust Lands
 Yvonne Smith, PERS Board

STAFF PRESENT:

Eric Chin, Chief Risk Officer/Senior CIO
 Connie Flanagan, Chief Financial Officer
 Jayme Heick, Retirement Programs Specialist
 Bonnie Heit, Admin Svs Supvr
 David Hunter, Exec Dir/CIO
 Jan Murtha, Dep Exec Dir/CRO
 Matt Posch, Investment/Compliance Officer
 Ann Nagel, Investment Accountant
 Sara Sauter, Internal Audit Supvr
 Darren Schulz, Dep CIO
 Dottie Thorsen, Internal Auditor
 Tami Volkert, Employer Svs Coordinator
 Susan Walcker, Senior Financial Accountant
 Len Wall, Data Processing Coordinator

GUESTS:

Jeff Baumgartner, First Intl Bank & Trust
 Jodi Bjornson, WSI
 Alex Browning, Callan LLC
 Tamara Doi Beck, Northern Trust/50 South
 Dean DePountis, Attorney General's Office
 Jack Dura, Bismarck Tribune
 Paul Erlendson, Callan LLC
 Eric Hardmeyer, BND
 Trey Hart, Northern Trust/50 South
 Candace Johnson, Securities Dept.
 Adam Montgomery, Securities Dept.
 Bob Morgan, Northern Trust/50 South
 Adil Rahmathulla, I Squared Capital
 Bryan Reinhardt, PERS
 Ed Saunders, I Squared Capital
 Bridget Schweihs, Northern Trust/50 South
 Tom Stromme, Bismarck Tribune
 Karen Tyler, Securities Dept. Commissioner

CALL TO ORDER:

Lt. Governor Sanford, Chair, called the State Investment Board (SIB) regular meeting to order at 8:30 a.m. on Friday, May 21, 2021. The meeting was held at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

AGENDA:

The Board considered the agenda for the May 21, 2021, meeting,

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. MILLER AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA FOR THE MAY 21, 2021, MEETING.

AYES: MR. OLSON, MR. MILLER, TREASURER BEADLE, MS. GUMERINGER, MS. SMITH, COMMISSIONER SMITH, DR. LECH, MR. SEIBEL, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION

CARRIED

ABSENT: COMMISSIONER GODFREAD, MR. KLIPFEL

MINUTES:

IT WAS MOVED BY MS. SMITH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE APRIL 23, 2021, MINUTES AS DISTRIBUTED.

AYES: DR. LECH, TREASURER BEADLE, MR. OLSON, MR. SEIBEL, MR. MILLER, MS. GUMERINGER, MS. SMITH, COMMISSIONER SMITH, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION

CARRIED

ABSENT: MR. KLIPFEL, COMMISSIONER GODFREAD

INVESTMENTS:

Asset/Performance Overview - Mr. Hunter highlighted SIB clients' assets under management and performance for the quarter ending March 31, 2021.

SIB Clients assets totaled approximately \$18.9 billion as of March 31, 2021, with the Pension Trust at \$7.1 billion, Insurance Trust at \$3.1 billion, and Legacy Fund exceeding \$8.4 billion.

The Pension Trust posted a net return of 31.4% in the last year and during the last 5-years generated a net annualized return of 10.1%, exceeding the performance benchmark of 9.8%.

The Insurance Trust posted a net return of 14.2% in the last year and during the last 5-years generated a net annualized return of 6.6%, exceeding the performance benchmark of 5.5%.

Legacy Fund generated a net return of 31.0% last year and during the last 5-years, earned a net annualized return of 9.3%, exceeding the performance benchmark of 8.8%.

Every Pension Pool client generated positive excess returns of at least 0.25% per annum in the last 5-years (including 0.43% for Public Employees Retirement System (PERS) and 0.34% for Teachers' Fund for Retirement (TFFR), while adhering to approved risk levels and producing positive risk adjusted excess return. TFFR and PERS earned over 10% per annum for the 5-years ended March 31, 2021, and over 31% in the last year largely due to global public equities rising by 13% per annum over the last 5-years and over 54% in the last year.

Every Non-Pension client generated positive excess return for the 5-years ended March 31, 2021, with two exceptions for Job Service and Tobacco Prevention & Control.

Legacy Fund earned over 31% and 9.3% for the 1 and 5 year periods ended March 31, 2021, respectively exceeding Policy Benchmarks by nearly 3% in the last year and over 0.50% in the last 5-years. Legacy Fund earned over \$1.9 billion of net investment income in the last year increasing assets from \$6.1 billion at March 31, 2020, to over \$8.4 billion as of March 31, 2021. Asset allocation was responsible for generating \$1.72 billion (or 92%) of this income, while the prudent use of active investment management generated an incremental \$180 million of net investment income for the 1-year ended March 31, 2021. Workforce Safety & Insurance and Budget Stabilization also generated strong absolute and relative returns for the 1 and 5-year periods ended March 31, 2021.

Mr. Hunter also reviewed introductions conducted with 50 South Capital to various State agencies, firms, and representatives throughout the State. Mr. Hunter felt the introductions went well and 50 South Capital representatives have done a wonderful job of making themselves available to key individuals. 50 South Capital and the SIB investment personnel are working towards a potential first "equity closing" in June 2021 and "debt closing" in August 2021.

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ASSET AND PERFORMANCE OVERVIEW FOR THE PERIOD ENDING MARCH 31, 2021.

AYES: COMMISSIONER SMITH, TREASURER BEADLE, MR. MILLER, MR. OLSON, MS. GUMERINGER, MR. SEIBEL, DR. LECH, MS. SMITH, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, MR. KLIPFEL

Callan LLC Review - Mr. Erlendson and Mr. Browning reviewed U.S. market conditions and also performance of the Pension Trust, Insurance Trust, and Legacy Fund portfolios for the period ending March 31, 2021.

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT CALLAN LLC'S PERFORMANCE EVALUATION FOR THE PERIOD ENDING MARCH 31, 2021.

AYES: MS. GUMERINGER, COMMISSIONER SMITH, MS. SMITH, MR. KLIPFEL, TREASURER BEADLE, DR. LECH, COMMISSIONER GODFREAD, MR. OLSON, MR. SEIBEL, MR. MILLER, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

Infrastructure - Mr. Schulz reviewed the infrastructure program dating back to March of 2018. In the Callan LLC Diversified Real Assets Engagement recommendation dated January 22, 2021, SIB investment personnel noted the need to address imbalances relative to policy targets within the broad diversified real assets category created by strong equity market performance across the Pension, Insurance, and Legacy Fund pools. The additional allocation to I Squared Capital's Global Infrastructure Fund III will help to address the imbalances in the Pension and Legacy pools. SIB investment personnel recommended a follow-up investment of up to \$150 million in I Squared Capital's Global Infrastructure Fund III.

IT WAS MOVED BY MR. OLSON AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT SIB INVESTMENT PERSONNEL'S RECOMMENDATION AND INVEST UP TO \$150 MILLION (\$60 MILLION PENSION POOL AND \$90 MILLION LEGACY FUND) IN I SQUARED CAPITAL'S ISQ GLOBAL INFRASTRUCTURE FUND III.

AYES: MR. OLSON, MR. SEIBEL, COMMISSIONER SMITH, MR. GUMERINGER, COMMISSIONER GODFREAD, MS. SMITH, MR. MILLER, TREASURER BEADLE, MR. KLIPFEL, DR. LECH, AND LT. GOVERNOR SANFORD
 NAYS: NONE
 MOTION CARRIED

Mr. Schulz also reviewed the SIB's existing relationship with Macquarie Infrastructure Partners V. The SIB previously committed \$100 million to Fund V in May 2020. SIB investment personnel recommended an additional commitment of \$65 million to address the imbalances in the Pension and Legacy Pools and a new allocation to the Insurance pool.

IT WAS MOVED BY MS. SMITH AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT SIB INVESTMENT PERSONNEL'S RECOMMENDATION AND COMMIT AN ADDITIONAL \$65 MILLION (\$30 MILLION LEGACY FUND, \$20 MILLION PENSION POOL, AND \$15 MILLION INSURANCE POOL) TO MACQUARIE INFRASTRUCTURE PARTNERS V.

AYES: MS. SMITH, COMMISSIONER SMITH, MR. KLIPFEL, COMMISSIONER GODFREAD, MS. GUMERINGER, TREASURER BEADLE, DR. LECH, MR. MILLER, MR. SEIBEL, MR. OLSON, AND LT. GOVERNOR SANFORD
 NAYS: NONE
 MOTION CARRIED

50 South Capital - Mr. Bob Morgan and Mr. Trey Hart provided an update on the progress of implementing the in-state investment program since being selected at the SIB's April 23, 2021, meeting. Focus has been on securing the legal documentation, investment policy statement, hiring personnel, and a number of investment opportunities.

ND Growth Fund - Mr. Hunter reviewed the ND Growth Fund Investment Policy Statement (IPS) for the SIB's review and consideration. Discussion followed on investment roles and responsibilities.

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MS. SMITH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE INVESTMENT POLICY STATEMENT FOR THE ND GROWTH FUND.

AYES: MR. SEIBEL, DR. LECH, MS. GUMERINGER, MR. OLSON, MR. MILLER, MS. SMITH, MR. KLIPFEL, COMMISSIONER GODFREAD, COMMISSIONER SMITH, TREASURER BEADLE, AND LT. GOVERNOR SANFORD
 NAYS: NONE
 MOTION CARRIED

The Board recessed at 9:45 a.m. and reconvened at 10:02 a.m.

GOVERNANCE:

Executive Review Committee - Ms. Smith reviewed RIO's Executive Director/CIO performance evaluation and compensation recommendation. Overall, the Executive Director/CIO's performance has improved year over year.

IT WAS MOVED BY DR. LECH AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE 2020 PERFORMANCE EVALUATION OF THE EXECUTIVE DIRECTOR/CIO AND TO ALSO THANK MR. HUNTER, EXECUTIVE REVIEW COMMITTEE, AND STAFF.

AYES: MR. MILLER, DR. LECH, COMMISSIONER SMITH, MR. OLSON, MR. SEIBEL, TREASURER BEADLE, COMMISSIONER GODFREAD, MR. GUMERINGER, MS. SMITH, MR. KLIPFEL, AND LT. GOVERNOR SANFORD
 NAYS: NONE
 MOTION CARRIED

IT WAS MOVED BY MR. OLSON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE EXECUTIVE REVIEW COMMITTEE'S RECOMMENDATION AND GRANT A 10.5% EQUITY INCREASE TO RIO'S EXECUTIVE DIRECTOR/CIO RETROACTIVE TO MAY 1, 2021 AND ALSO GRANT THE LEGISLATIVE INCREASE OF 1.5% EFFECTIVE JULY 1, 2021.

AYES: MR. OLSON, MR. KLIPFEL, COMMISSIONER GODFREAD, TREASURER BEADLE, COMMISSIONER SMITH, MR. SEIBEL, DR. LECH, MR. MILLER, MS. SMITH, MS. GUMERINGER, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

Audit Committee - Ms. Sauter highlighted activities of internal audit and the SIB Audit Committee for the period of January 1 - March 31, 2021. Internal Audit continues to assist with the Pension Administration System upgrade and following their work plan however needs and priorities may change and the work plan may require adjustments.

The contract with RIO's external auditors expired with the completion of the 2019/20 annual audit. The State Auditor's Office issued a Request for Proposal and again selected CliftonLarsonAllen as RIO's external audit partner for the next three years.

IT WAS MOVED BY MR. KLIPFEL AND SECONDED DR. LECH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE AUDIT COMMITTEE REPORT FOR THE PERIOD OF JANUARY 1 - MARCH 31, 2021.

AYES: MR. KLIPFEL, COMMISSIONER GODFREAD, MR. OLSON, MR. MILLER, TREASURER BEADLE, MS. GUMERINGER, MS. SMITH, COMMISSIONER SMITH, DR. LECH, MR. SEIBEL, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

Governance Review - The SIB discussed Governance specifically Board Governance Policy B-2/Governing Style in Section B Governance Process. Dr. Lech highlighted key areas of the policy. Discussion followed on good governance and following policy.

Discussion also followed on addressing inquiries of the SIB. After discussion,

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO DIRECT THE SIB AUDIT COMMITTEE TO REVIEW SIB GOVERNANCE POLICY B-2, GOVERNING STYLE IN SECTION B GOVERNANCE PROCESS, TO CLEARLY DEFINE INQUIRY AND TO REVIEW THE BOARD STRUCTURE AND BRING A RECOMMENDATION BACK TO THE FULL SIB.

AYES: DR. LECH, TREASURER BEADLE, MR. OLSON, COMMISSIONER SMITH, MR. SEIBEL, MR. MILLER, COMMISSIONER GODFREAD, MS. GUMERINGER, MR. SMITH, MR. KLIPFEL, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

MONITORING:

The following monitoring reports for the quarter ending March 31, 2021, were provided for the SIB's consideration: Executive Limitations/Staff Relations, Budget/Financial Conditions, Investment Ends/Watch List/Due Diligence, and TFFR IPS.

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY COMMISSIONER SMITH AND CARRIED BY A VOICE VOTE TO ACCEPT THE MONITORING REPORTS FOR THE QUARTER ENDING MARCH 31, 2021.

AYES: COMMISSIONER GODFREAD, MR. KLIPFEL, COMMISSIONER SMITH, MS. GUMERINGER, MS. SMITH, MR. SEIBEL, DR. LECH, MR. OLSON, TREASURER BEADLE, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

ABSENT: MR. MILLER

OTHER:

Resolution - Lt. Governor Sanford read the following resolution in honor of Ms. Gumeringer. Ms. Gumeringer has served on the TFFR Board since July 21, 2016 and the SIB since July 27, 2018.

*ND TFFR and ND SIB Joint Board Resolution
In Appreciation of
Trustee Toni Gumeringer*

WHEREAS, Trustee Toni Gumeringer has served as a member of the TFFR and SIB Boards; and

WHEREAS, Trustee Toni Gumeringer has diligently carried out her duties and responsibilities as a member of these Boards and fiduciary of the TFFR and SIB Programs; and

WHEREAS, Trustee Toni Gumeringer has been a valued and dedicated member of these Boards in helping maintain the high standards of integrity for the TFFR and SIB Programs.

NOW THEREFORE, BE IT RESOLVED that Trustee Toni Gumeringer be duly recognized by these Boards for her dedication to the State of North Dakota through her service on the Teacher's Fund for Retirement Board of Trustees and State Investment Board.

IT WAS MOVED BY COMMISSIONER GODFREAD AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ADOPT THE RESOLUTION IN APPRECIATION OF MS. GUMERINGER.

AYES: COMMISSIONER SMITH, MS. SMITH, TREASURER BEADLE, DR. LECH, COMMISSIONER GODFREAD, MR. OLSON, MR. SEIBEL, MR. KLIPFEL, AND LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

ABSENT: MR. MILLER

ABSTAIN: MS. GUMERINGER

The next regular meeting of the SIB has been scheduled for July 23, 2021, at 8:30 a.m. at Bismarck State College.

ADJOURNMENT:

With no further business to come before the SIB, Lt. Governor Sanford adjourned the meeting at 11:46 a.m.

Lt. Governor Sanford, Chair
State Investment Board

Bonnie Heit
Recorder

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
JUNE 15, 2021, BOARD MEETING**

MEMBERS PRESENT: Rob Lech, TFFR Board, Vice Chair
Troy Seibel, PERS Board, Parliamentarian
Thomas Beadle, State Treasurer
Bryan Klipfel, Director of WSI
Adam Miller, PERS Board
Mel Olson, TFFR Board
Jodi Smith, Commissioner of Trust Lands
Yvonne Smith, PERS Board

MEMBERS ABSENT: Brent Sanford, Lt. Governor, Chair
Jon Godfread, Insurance Commissioner
Keith Kempenich, Legacy/Budget Stab. Adv. Board

STAFF PRESENT: Eric Chin, Chief Risk Officer/Senior CIO
Connie Flanagan, Chief Financial Officer
Bonnie Heit, Admin Svs Supvr
David Hunter, Exec Dir/CIO
Missy Kopp, Retirement Assistant
Jan Murtha, Dep Exec Dir/CRO
Ann Nagel, Investment Accountant
Matt Posch, Investment/Compliance Officer
Sara Sauter, Internal Audit Supvr
Darren Schulz, Dep CIO
Dorothy Thorsen, Internal Auditor
Tami Volkert, Employer Svs Coordinator
Susan Walcker, Senior Financial Accountant

GUESTS: John Arnold, Insurance Dept.
Dean DePountis, Attorney General's Office
Paul Erlendson, Callan LLC
Candace Johnson, Securities Dept.
Patti Kelley, Public Citizen
Rachel Kriege, Insurance Dept.
Adam Mathiak, Legislative Council
Scott Miller, PERS
Adam Montgomery, Securities Dept.
Tricia Opp, Procurement
Bryan Reinhardt, PERS
Karen Tyler, Securities Dept.
Hope Wedul, HRMS

CALL TO ORDER:

Dr. Rob Lech, Vice Chair, called the State Investment Board (SIB) special meeting to order at 8:30 a.m. on Tuesday, June 15, 2021. The meeting was held at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

AGENDA:

The Board considered the agenda for the June 15, 2021, special meeting,

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. KLIPFEL AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA FOR THE JUNE 15, 2021, SPECIAL MEETING.

AYES: MR. KLIPFEL, MR. OLSON, TREASURER BEADLE, COMMISSIONER SMITH, DR. LECH, MR. MILLER, AND MS. SMITH

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, MR. SEIBEL, LT. GOVERNOR SANFORD

GOVERNANCE:

Resignation - Mr. Hunter notified the SIB on May 25, 2021, of his intent to resign from his position effective June 22, 2021.

Mr. Hunter stated he has sincerely enjoyed his time serving the SIB and all of their valued clients and deserving constituents. With the SIB's guidance, support and leadership, his position has been one of the most rewarding professional work experiences in his life. All of this was possible due to the unique culture, spirit and value of the State of North Dakota, its leaders and its hard-working citizens.

The SIB thanked Mr. Hunter for his years of dedication and service to the State and investment program. Vice Chair Dr. Rob Lech applauded Mr. Hunter for his commitment to due diligence and a growth oriented leadership.

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT MR. HUNTER'S RESIGNATION EFFECTIVE JUNE 22, 2021.

AYES: MR. KLIPFEL, MR. OLSON, MR. MILLER, TREASURER BEADLE, MS. SMITH, COMMISSIONER SMITH, AND DR. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, MR. SEIBEL, LT. GOVERNOR SANFORD

Resolution - Dr. Lech read the following resolution in appreciation of Mr. Hunter.

*ND TFFR and ND SIB Joint Board Resolution
In Appreciation of
Executive Director/Chief Investment Officer
Dave Hunter*

WHEREAS, Mr. Hunter has served as the Executive Director and Chief Investment Officer of the North Dakota Retirement and Investment Office for the past 7.5 years; and

WHEREAS, Mr. Hunter has diligently carried out his duties and responsibilities to the Retirement and Investment Office, the Teachers' Fund for Retirement and State Investment Board Programs, and the general population of the State of North Dakota; and

WHEREAS, Mr. Hunter has been a valued and dedicated State employee in helping maintain the integrity and stability of the TFFR and SIB Programs, and leader of this state agency.

NOW THEREFORE, BE IT RESOLVED that Mr. Hunter be duly recognized by these Boards for his years of unselfish dedication to the State of North Dakota through his service to the TFFR Board of Trustees and the SIB.

IT WAS MOVED BY COMMISSIONER SMITH AND SECONDED BY MS. SMITH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE RESOLUTION IN APPRECIATION OF MR. HUNTER.

AYES: TREASURER BEADLE, MR. OLSON, COMMISSIONER SMITH, MR. MILLER, MS. SMITH, MR. KLIPFEL, AND DR. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: MR. SEIBEL, COMMISSIONER GODFREAD, LT. GOVERNOR SANFORD

Executive Search Committee - The SIB discussed the appointment of an Executive Search Committee.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. KLIPFEL AND CARRIED BY A ROLL CALL VOTE TO CREATE AN EXECUTIVE SEARCH COMMITTEE TO ASSIST THE SIB WITH THE EXECUTIVE SEARCH PROCESS.

AYES: MR. KLIPFEL, COMMISSIONER SMITH, MS. SMITH, MR. MILLER, MR. OLSON, TREASURER BEADLE, DR. LECH

NAYS: MOTION CARRIED

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, MR. SEIBEL, LT. GOVERNOR SANFORD

The following members were appointed to the Executive Search Committee: Dr. Lech, Chair, Treasurer Beadle, Commissioner Smith, Mr. Klipfel, and Mr. Seibel.

Executive Director/CIO Search - Ms. Flanagan and Ms. Murtha briefed the SIB on the background of the Retirement and Investment Office's (RIO) organization and past searches.

Executive Search Method - The SIB then discussed the executive search method. RIO personnel recommended retaining an executive search firm to assist the SIB with the Executive Director/CIO search. The recommendation is based on the following considerations:

- Current assets under management exceed \$19 billion; an executive search firm will have enhanced access to potential candidates with the qualifications and experience needed to oversee and continue to develop an investment program the size of the SIB's program.
- Use of an executive search firm in both the 2010 and 2012 searches resulted in a swift and successful candidate placement. Usage of an executive search firm does not foreclose the ability of an individual to apply for the position, rather applications will be routed through the consultant.
- Use of a posting alone in 2012 failed to produce sufficiently qualified candidates and prolonged the interim period.

IT WAS MOVED BY MR. OLSON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO RETAIN AN EXECUTIVE SEARCH FIRM TO ASSIST THE SIB WITH THE EXECUTIVE DIRECTOR/CIO SEARCH.

AYES: COMMISSIONER SMITH, MS. SMITH, TREASURER BEADLE, MR. OLSON, MR. SEIBEL, MR. MILLER, MR. KLIPFEL, AND DR. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, LT. GOVERNOR SANFORD

NAYS: NONE

MOTION CARRIED

Request for Proposal (RFP) - The SIB discussed consultant search RFP development and issuance options.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MILLER AND CARRIED BY A ROLL CALL VOTE TO AUTHORIZE RIO PERSONNEL TO WORK WITH STATE PROCUREMENT TO DEVELOP AND ISSUE AN RFP FOR CONSULTANT SERVICES. A DRAFT RFP WITH A SUGGESTED SCOPE OF SERVICE WILL BE PROVIDED TO THE SIB AT ITS JUNE 15, 2021, MEETING.

AYES: MR. OLSON, MR. MILLER, MS. SMITH, MR. SEIBEL, MR. KLIPFEL, COMMISSIONER SMITH, TREASURER BEADLE, AND DR. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, LT. GOVERNOR SANFORD

A draft RFP was provided to the SIB which RIO personnel and State Procurement will start to develop.

Interim Administration - SIB Governance Policy A-1 (8) states - "In order to protect the board from sudden loss of executive services, the Executive Director may not have fewer than three other executive's familiar with board and chief executive issues and processes. The Executive Director shall not fail to inform the Deputy Executive Director, the Deputy Chief Investment Officer, and the Chief Financial Officer of executive and board issues and processes."

Per SIB Governance Policy A-1 (8), Mr. Hunter recommended during the interim period Ms. Murtha, Interim Executive Director, and Mr. Schulz, Interim CIO, be granted a temporary 20% increase in base salary during the interim period as authorized under N.D.A.C. Section 4-07-02-16.

IT WAS MOVED BY MS. SMITH AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT STAFF RECOMMENDATION AND GRANT A TEMPORARY 20% INCREASE IN BASE SALARY FOR INTERIM CIO MR. SCHULZ AND INTERIM EXECUTIVE DIRECTOR MS. MURTHA UNTIL THE EXECUTIVE DIRECTOR/CIO POSITION IS FILLED.

AYES: TREASURER BEADLE, MR. KLIPFEL, COMMISSIONER SMITH, MS. SMITH, MR. MILLER, MR. SEIBEL, MR. OLSON AND DR. LECH

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GODFREAD, LT. GOVERNOR SANFORD

RIO will issue a press release reflecting the SIB's action from their June 15, 2021, meeting.

ADJOURNMENT:

With no further business to come before the SIB, Dr. Lech adjourned the meeting at 9:19 a.m.

Dr. Rob Lech, Vice Chair
State Investment Board

Bonnie Heit
Recorder

MEMORANDUM

Item III.A.

TO: SIB

FROM: Jan Murtha

DATE: July 16, 2021

SUBJ: TFFR Trustee Appointment

The TFFR Board elects representatives to serve on the State Investment Board at its first meeting in July, currently July 22, 2021. Due to the retirement of Ms. Gumeringer this past spring the SIB can expect at least one new member. An introduction of any new TFFR representative will occur at the start of the State Investment Board meeting.

BOARD INFORMATION ONLY. No board action requested.

MEMORANDUM

Item III. B.C.D.

TO: SIB
FROM: Jan Murtha, Interim Executive Director
DATE: July 16, 2021
RE: Elections & Appointments

The SIB must elect a Chair and Vice Chair at the first meeting of each fiscal year. The newly elected Chair must appoint a Parliamentarian. For the 2021-22 year, the Board will need to select:

- **SIB Chair**
(Currently Lt. Governor Sanford)
- **SIB Vice Chair**
(Currently Dr. Lech – TFFR Trustee)

Either the Chair or Vice-Chair must be a member of the TFFR or PERS Board per Section 3.1 of the SIB By-Laws.

- **Parliamentarian – Appointed by SIB Chair**

The relevant By-Laws and Governance Policy of the SIB are highlighted immediately below for reference purposes.

By-Laws Chapter 3:

Section 3-1. The officers of the SIB are a Chair and Vice Chair, one of which must be an appointed or elected member of the TFFR or PERS Board. The officers will be elected by the SIB to a one-year term at the first regularly scheduled meeting following July 1 of each year. Vacancies will be filled by the SIB at the first scheduled meeting following the vacancy.

Section 3-2. Chair. The Chair will preside at all meetings of the SIB.

Section 3-3. Vice Chair. In the absence of the Chair, the Vice Chair will perform the duties of the Chair.

Policy B-4(1)(D): The chairperson shall appoint a Parliamentarian.

BOARD ACTION. Nominate and approve Chair and Vice-Chair.
Chair to appoint Parliamentarian

Board Action Requested

To: STATE INVESTMENT BOARD

From: Jan Murtha, Interim Executive Director
Sara Sauter, Supervisor of Internal Audit

Date: July 23, 2021

RE: SIB Audit Committee Appointments

As directed by SIB Policy B-6, Governance Process/Standing Committees, the Audit Committee shall consist of five members selected by the SIB. Three members of the Audit Committee represent the three groups on the SIB (TFFR board, PERS board, and the elected and appointed officials). The other two members will be selected from outside of the SIB and will be auditors with a Certified Public Accountant (CPA) or Certified Internal Auditor (CIA) designation or be responsible for oversight of the internal audit function at a significant business enterprise or other financial institution.

The SIB previously approved the following five Board representatives for the past year:

Ms. Yvonne Smith, (former Chair) representing PERS retirees
Dr. Rob Lech, (former Vice Chair) representing TFFR employees
Mr. Jon Griffin, MBA, BBA (Accounting & Financial Management)
Ms. Julie Dahle, MBA, CIA, CCBIA
Ms. Jodi Smith (Dept. of Trust Lands) representing elected and appointed officials

Background and Recommendation:

SIB Policy B-6 states the following: “An Audit Committee has been established as a standing committee of the SIB. The Audit Committee will assist the SIB in carrying out its oversight responsibilities as they relate to RIO’s internal and external audit programs, including financial and other reporting practices, internal controls, and compliance with laws, regulations and ethics.” **Based on the strong performance of the Audit Committee during the past year with regards to assisting the SIB in carrying out its oversight responsibilities, the Executive Director and Supervisor of Internal Audit recommend the re-appointment of the audit committee members.**

MEMORANDUM

Item III.F.

TO: SIB
FROM: Jan Murtha, Interim Executive Director
DATE: July 16, 2021
RE: Securities Litigation Committee

SIB Governance Manual B-6 on Standing Committee states:

A Securities Litigation Committee (SLC) has been established as a standing committee of the State Investment Board (SIB). The SLC will assist the SIB in fulfilling its fiduciary oversight responsibilities of monitoring the investment assets entrusted to it by the various statutory and contracted funds, and to serve as a communications link for the SIB, RIO's management and staff, third party securities litigation firms, and others.

The committee charter states:

The Committee will consist of the Executive Director of RIO, one member of RIO fiscal or investment staff, RIO general counsel, and two members of the SIB appointed by the Chair. Membership on the Committee will be for one year or termination of term on the SIB. Vacancies will be filled by the SIB Chair at the first scheduled meeting following the vacancy. There will be no limit to the number of terms served on the Committee.

Current Committee members are:

Chief Deputy Attorney General Troy Seibel (as Chair);
Commissioner Smith (as Vice Chair);
Assistant Attorney General Dean DePountis;
RIO Chief Financial Officer Connie Flanagan; and
RIO Executive Director: - Vacant until appointment.

As stated in the Securities Litigation Committee Charter, Committee membership will be for one year or termination of term on the SIB. Vacancies will be filled by the SIB Chair at the first scheduled meeting following the vacancy. There will be no limit to the number of terms served on the Committee.

BOARD ACTION. Chair to appoint.

MEMORANDUM

Item III. G.

TO: SIB
FROM: Jan Murtha, Interim Executive Director
DATE: July 16, 2021
RE: Executive Review Committee

SIB Governance Manual B-6 on Standing Committee states:

An Executive Review Committee (ERC) has been established as a standing committee of the SIB. The ERC will assist the SIB in fulfilling its fiduciary oversight responsibilities of “monitoring executive performance (which) is synonymous with monitoring organizational performance against board policies on Ends and Executive Limitations”. Internal audit will be responsible for preparing an annual summary of the required reports submitted to the SIB by the Executive Director in connection with its review of policy adherence to Ends and Executive Limitations. Internal audit will also assist the ERC in completing annual surveys of the Executive Director with the SIB, SIB clients, and RIO team members. The ERC will conduct a formal evaluation of the Executive Director during the first half of every calendar year. This formal evaluation by the ERC will serve as the basis for an annual compensation recommendation to be reviewed and approved by the SIB on or before June 30th each year. Internal audit will also assist the SIB and ERC in administering the annual board self-assessment process.

The ERC is authorized to:

- Conduct a formal evaluation of the Executive Director annually;
- Obtain SIB approval of the annual performance evaluation of the Executive Director;
- Make a compensation recommendation to the SIB on or before June 30th of each year; and
- Administer a formal self-assessment of the SIB periodically (unless instructed otherwise).

The ERC and/or RIO will seek SIB approval prior to formally engaging any third party assistance in conducting the annual executive review process or board self-assessment.

The following three board members currently serve on the existing ERC:

- Ms. Yvonne Smith (as Chair – PERS Trustee)
- Mr. Mel Olson (as Vice Chair – TFFR Trustee)
- Mr. Adam Miller (PERS Trustee)

In 2019, the ERC included Dr. Rob Lech, Ms. Yvonne Smith, and Mel Olsen

In 2018, the ERC included Dr. Rob Lech, Ms. Yvonne Smith, and Land Commissioner Jodi Smith.

In 2017, the ERC included Ms. Yvonne Smith, Ms. Cindy Ternes, and Mr. Mike Sandal.

BOARD ACTION. The chairperson will appoint board committee members.

MEMORANDUM

Item IV.A.

TO: SIB

FROM: Jan Murtha

DATE: July 16, 2021

SUBJ: In State Investment Update

Mr. Trey Hart from 50 South Capital will provide the following update at the meeting:

“Since the closing of the North Dakota Growth Fund last month, 50 South Capital has been active in the sourcing and evaluation of potential investment opportunities across the State. The firm continues to make significant progress toward establishing its team and physical presence throughout the State. 50 South has been a highly visible and active partner, meeting with entrepreneurs, investors, lenders, advisors, and government leaders across the State, as well as sponsoring and attending a number of entrepreneurial community events in the State. The firm will provide a brief update on its recent progress and key near-term milestones.”

BOARD INFORMATION ONLY. No board action requested.

Informational

Interim Investment Update

As of June 30, 2021

Preliminary Indicative Returns as of June 30, 2021

July 23, 2021

Darren Schulz, Interim Chief Investment Officer

Janilyn Murtha, Interim Executive Director

Connie Flanagan, Chief Financial Officer

Eric Chin, Chief Risk Officer

Matt Posch, Investment & Compliance Officer

ND Retirement & Investment Office (RIO)

State Investment Board (SIB)

State Investment Board – Five Largest Clients

Interim FYTD Estimated Returns – June 30, 2021

Interim estimated returns for the SIB's five largest clients are summarized below on a **Fiscal Year To Date (FYTD)** basis from July 1, 2020 through June 30, 2021:

	Date	TFFR	PERS	WSI	Legacy	Budget Stabilization
Market Value	May 31	\$ 3,154,294,333	\$ 3,931,731,142	\$ 2,291,280,975	\$ 8,843,879,496	\$ 754,864,657
Net Investment Return - Actual through	May 31	23.42%	24.10%	10.22%	21.27%	3.87%
Total Fund Policy through	May 31	22.87%	22.97%	8.21%	19.49%	0.59%
Excess Return for 11 month period	May 31	0.56%	1.13%	2.01%	1.78%	3.28%
Estimated Month-to-Date	June 30	0.74%	0.77%	0.69%	0.75%	-0.16%
Estimated 2021 FYTD Return	June 30	24.3%	26.0%	11.7%	23.1%	3.5%

(Actual returns are net of fees; estimates are based on index returns)

1. Based on preliminary market data, **which is unaudited and subject to material change**, TFFR, PERS and the Legacy Fund net investment returns are roughly estimated to range from 23% to 26% on a fiscal year to date basis as of June 30, 2021.
2. TFFR, PERS, and the Legacy Fund returns were primarily driven by the strength of the public equity markets. The MSCI World, S&P 500 and NASDAQ Composite all reached all time highs in June. At the end of Q1 2021, the S&P 500 Index was up over 80% since the March 2020 low.
3. Excess returns for the year can be attributed to strong performance by active managers in the Domestic Fixed Income and International Equities allocations.

Estimated Month-to-Date and Fiscal Year-to-Date Returns as of June 30, 2021, are rough indicative estimates based on underlying benchmark data (not actual results) and all amounts are preliminary, unaudited and subject to material change.

Investment Update

Contracts/Onboarding: Following recent Board approval, Staff has worked to onboard the following funds:

- Invesco Real Estate U.S. Fund VI (\$200 mm): Contract signed
- The North Dakota 1889 Growth Fund (\$250 mm): Contract signed
- Macquarie Infrastructure Partners V (additional \$65 mm): Contract signed
- ISQ Global Infrastructure Fund III (\$150 mm): Negotiating terms. Staff expects to close by the end of July.

In-State Investment Program: The North Dakota 1889 Growth Fund has successfully launched! 50 South has been actively sourcing and evaluating potential investment opportunities and continues efforts in establishing it's team and presence through out North Dakota.

Current Manager Searches: Staff continues to work on optimizing the public equity allocations across the three pools. Staff is nearing the completion of a comprehensive search for a quantitative international equity manager. Staff believes an allocation to a quantitative strategy will add a diversifying alpha engine and expects to recommend a manager at the August Board meeting.

Investment Plans

Review and Optimize the Real Estate Allocation: The global pandemic has had significant repercussions on the real estate market, from vacant office buildings, to empty shopping malls and closed restaurants. With continued uncertainty over the longer term impact of COVID on real estate assets, Staff believes this is an opportune time to review, and perhaps rebalance the real estate portfolio to not only mitigate risk but also capitalize on opportunities.

Private Equity: The Pension Pool has been underweight private equity. This underweight was further exacerbated as TFFR increased its policy target to private equity from 6% to 10%. Staff is currently working on generating a new private equity pacing analysis and will likely recommend increasing allocations to existing managers and/or begin a search for another manager.

Continue to Optimize the Public Equity Allocation: Staff will look to address the continued underperformance of the Pension Pool's World Equity allocation. Both LSV Global Value and Epoch Global Choice have underperformed the policy benchmark. Staff will conduct additional analysis and report back to the Board with recommendations.

MEMORANDUM

Item V.A.

TO: SIB
FROM: Jan Murtha, Interim Executive Director
DATE: July 21, 2021
RE: Executive Search Status

A. Committee Structure & Organization

At its June 15, 2021 meeting, the State Investment Board (SIB) approved the creation of an Executive Search committee to assist the SIB with the Executive Search process pursuant to Policy B-5(6) of the SIB Governance Manual; and the Chair appointed the following members to the committee:

Dr. Rob Lech – Chair
Treasurer Thomas Beadle
Director Bryan Klipfel
Deputy Attorney General Troy Seibel
Commission Jodi Smith

The Committee had its first meeting on July 14, 2021 and agreed to schedule meetings as needed at the call of the Chair.

B. Search firm RFP Status

At its June 15, 2021 meeting, the State Investment Board (SIB) authorized RIO staff to work with State procurement to develop and issue an RFP for consultant services. The RFP was issued on June 24, 2021 and responses were due July 16, 2021. A copy of the RFP is provided as an attachment to this Memorandum.

The services requested under section 3.1 of the RFP include:

- Assistance in identifying desired skills and qualifications;
- Assistance with preparation of a search timeline;
- Assistance with review of the current job description and recommendations for amendments as appropriate;
- Identification and recruitment of nationwide candidates;
- Candidate appraisals, reference checks, mining of public domain information on the Internet, interviews and preparation of experience summaries, cultural fit assessment, and in-depth evaluations;

- Development and implementation of a process to narrow the candidate list;
- Assist in the development of the interview questions used by the search committee with the narrowed candidate list;
- Assistance with arrangements for search committee interviews;
- Responsible for finalists' background checks, including;
 - Credit Bureau Checks
 - Assist the State in conducting Criminal Background Checks in accordance with [NDCC 12-60-24](#)
- Assistance with arrangements for and interviews by the Board;
- Assistance negotiating a compensation package and employment terms and other customary or requested assistance in connection with the search;
- Provide SIB with progress reports.

The Committee discussed the process for evaluating and selecting the successful bidder in a manner compliant with state procurement and open meeting laws.

The Committee decided that a group comprised of four staff members and one to two committee members would provide an initial evaluation of the proposals. This group would bring these evaluation results back to the search committee to review and discuss.

The Committee scheduled another meeting on Monday, July 26, 2021 to review and discuss the RFP responses. Thereafter, the Committee may choose to schedule interviews with the responding firms.

C. Review of Responses and Notice of Award

The Committee is requesting the following direction from the full SIB; would the SIB prefer to grant the Committee authority to issue the Notice of Award or have the Committee bring their evaluation back to the full Board for review and approval at a subsequent SIB meeting?

BOARD ACTION. Provide direction to Committee on grant of authority to issue Notice of Award.

**STATE OF NORTH DAKOTA
Office of Management and Budget
State Procurement Office
600 East Boulevard Avenue
14th Floor Capitol Tower, Dept 012
Bismarck, ND 58505-0310**

REQUEST FOR PROPOSAL (RFP)

RFP Title: Executive Recruitment Services for the ND Retirement and Investment Office

RFP Number: 110.7-21-039

Issued: June 24, 2021

Purpose of RFP: The North Dakota State Investment Board (SIB), through its search committee, seeks a qualified independent contractor with expertise in executive recruitment services, specifically, with previous experience with the recruitment of public/private fund investment / retirement professionals responsible for the investment of funds in excess of \$19 billion, to identify and evaluate qualified candidates to fill the position of Chief Investment Officer/Executive Director (CIO/ED) with combined management / executive management experience for the North Dakota Retirement & Investment Office (RIO).

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ATTACHMENTS

Attachment A - Current Position Description/SIB Governance Policies

Attachment B - Proposal Evaluation Worksheet

Attachment C - Contract

SECTION ONE – INSTRUCTIONS

1.1 PURPOSE OF THE RFP

The North Dakota State Investment Board (SIB), through its search committee, seeks a qualified independent contractor with expertise in executive recruitment services, specifically, with previous experience with the recruitment of public/private fund investment / retirement professionals responsible for the investment of funds in excess of \$19 billion, to identify and evaluate qualified candidates to fill the position of Chief Investment Officer/Executive Director (CIO/ED) with combined management / executive management experience for the North Dakota Retirement & Investment Office (RIO).

1.2 PROCUREMENT OFFICER CONTACT INFORMATION

The procurement officer is the point of contact for this RFP. Offerors shall direct all communications regarding this RFP to the procurement officer. Please do not add the procurement officer to any marketing distribution lists.

PROCUREMENT OFFICER: Tricia Opp

EMAIL: topp@nd.gov

PHONE: 701.328.1721

TTY Users call: 7-1-1

Engaging in unauthorized communication or seeking to obtain information about an open solicitation with any state employee or official other than the responsible procurement officer or designee is sufficient grounds for suspension or debarment. [\[N.D.A.C. § 4-12-05-04\(7\)\]](#)

1.3 RFP SCHEDULE

EVENT	DATE
RFP issued	June 24, 2021
Deadline for Submission of Questions and Objections by 12:00 PM CT	June 30, 2021
Solicitation Amendment with Responses to Questions issued approximately (if required)	July 7, 2021
Deadline for Bidders List and Secretary of State Registration.	Prior to Contract Execution
Deadline for Receipt of Proposals (Solicitation Closing) by 10:00 AM CT	July 16, 2021
Notice of Intent to Award issued approximately	Week of August 2, 2021
Contract start approximately	Mid August 2021

1.4 ASSISTANCE TO INDIVIDUALS WITH A DISABILITY

Contact the procurement officer, as soon as possible, if an individual with a disability needs assistance with the RFP, including any events in the RFP schedule, so reasonable accommodations can be made.

1.5 BIDDERS LIST AND SECRETARY OF STATE REGISTRATION REQUIREMENTS

Offerors must comply with requirements related for Office of Management and Budget (OMB) Bidders List application and Secretary of State registration [\[N.D.C.C. § 54-44.4-09\]](#). Bidders Lists are used to notify vendors when solicitations are issued on the State Procurement Online system (SPO Online).

Proposals will be accepted from offerors that are not on the Bidders List. The successful offeror must complete the Bidders List application process and comply with Secretary of State registration

requirements within 60 calendar days from the date a notice of intent to award is issued. If the successful offeror does not register within this time, its proposal may be rejected.

Vendor Registration Information Websites:

Secretary of State Registration. Complete the online Secretary of State registration process (fees apply): <https://firststop.sos.nd.gov/>. Select “Start a Business.” You will need to create a username and password. Contact the Secretary of State, Business Services at 701-328-2904 or sosbir@nd.gov for assistance.

Bidders List Application Process. Complete the online Bidders List application process: <https://www.nd.gov/omb/vendor/bidders-list-application-and-maintenance>. Contact the OMB State Procurement Office for assistance at 701-328-2773 or email infospo@nd.gov.

Bidders List Used for this Solicitation. Notices related to this RFP will be sent to the Bidders List for the needed commodity or service and other known potential offerors. The following commodity codes were used for the Bidders List for this solicitation: 918-06, 918-07, 918-21, 918-32, 918-49, 918-66, 918-69, 918-75, and 961-30.

1.6 STATE PROCUREMENT WEBSITE (SPO ONLINE)

This RFP and any related amendments and notices will be posted on the North Dakota Office of Management and Budget website using the State Procurement Online system (SPO Online). Offerors are responsible for checking this website to obtain all information and documents related to this RFP:

<https://apps.nd.gov/csd/spo/services/bidder/main.htm>. Select “Recent Solicitations”. Recent Solicitations are listed by close date.

Notices related to this RFP will be sent to the Bidders List for the needed commodity or service and other known potential offerors.

Offerors not having completed the Bidders List registration may request to receive notices related to this RFP by contacting the procurement officer in writing with the following information: RFP title, business name, contact person, mailing address, telephone number, and email address.

1.7 AMENDMENTS TO THE RFP

If an amendment to this RFP is issued, it will be provided to all offerors on the Bidders List for the solicitation and to those prospective offerors who have contacted the procurement officer to receive notices related to the RFP. An offeror shall include in its proposal any required acknowledgements of amendments to the RFP.

1.8 DEADLINE FOR QUESTIONS AND OBJECTIONS

Offerors should carefully review the RFP including all attachments. Offerors may ask questions to obtain clarification and request additional information, or object to material in the RFP. Questions and objections must be submitted to the procurement officer in writing by the deadline identified in the RFP schedule. If no deadline is specified, questions or objections must be received at least seven days prior to the Proposal Receipt Deadline. The Procurement Officer may elect to respond to questions received after the deadline.

Questions and objections should include a reference to the applicable RFP section or subsection. Email is the preferred method of submission with the RFP number cited in the email subject line.

Responses to questions will be distributed as a solicitation amendment, unless the question can be answered by referring the offeror to a specific section of the RFP.

1.9 OFFER HELD FIRM

Offerors must hold proposals firm for at least 120 days from the deadline for receipt of proposals. The STATE may send a written request to all offerors to hold their offer firm for a longer time period of time.

1.10 OFFEROR RESPONSIBLE FOR COSTS

Offeror is responsible for all costs associated with the preparation, submittal, presentation, and evaluation of any proposal.

1.11 TAXES

The STATE is not responsible for and will not pay itemized local, state, or federal taxes. Purchases of tangible personal property made by a state government agency is exempt from sales tax. The state sales tax exemption number is E-2001, and certificates will be furnished upon requested by the purchasing agency. The contractor must provide a valid Vendor Tax Identification Number as a provision of the contract.

The purchasing agency will determine if services provided under this contract are 1099 reportable. The purchasing agency may require the contractor to submit an IRS Form W-9.

The state tax exemption number should not be used by contractors in the performance of a contract.

A contractor or service provider performing any contract, including service contracts, for the United States Government, State of North Dakota, counties, cities, school districts, park board or any other political subdivisions within North Dakota is not exempt from payment of sales or use tax on materials, tangible personal property, and supplies used or consumed in carrying out contracts. In these cases, the contractor is required to file returns and pay sales and use tax just as required for contracts with private parties. Contact the North Dakota Tax Department at 701-328-1246 or visit its website at <https://www.nd.gov/tax/tax-resources/> for more information.

A contractor performing any contract, including a service contract, within North Dakota is also subject to the corporation income tax, individual income tax, and withholding tax reporting requirements, whether the contract is performed by a corporation, partnership, or other business entity, or as an employee of the contractor. In the case of employees performing the services in the state, the contractor is required to withhold state income tax from the employees' compensation and remit to the state as required by law. Contact the North Dakota Tax Department at 701-328-1248 or visit its website for more information.

1.12 PROPOSAL RECEIPT DEADLINE – LATE PROPOSALS REJECTED

An offeror is responsible for ensuring its proposal is received by the STATE prior to the proposal receipt deadline identified in the RFP schedule. A solicitation amendment will be issued if this deadline is changed. An offeror may contact the procurement officer to inquire whether its proposal has been received. Offerors assume the risk of the method of dispatch chosen. The STATE assumes no responsibility for delays caused by any delivery service. Postmarking by the deadline shall not substitute for actual proposal receipt by the STATE. Proposals delivered late will be rejected pursuant to [N.D.A.C. § 4-12-08-13](#).

1.13 PROPOSAL OPENING

This is a formal sealed Request for Proposal (RFP) process. Proposals will be secured and held unopened until the proposal receipt deadline. A public opening will not be held. At the specified date and time, each proposal will be opened in a manner to avoid disclosure of the contents to the competing offerors.

1.14 AMENDMENT AND WITHDRAWAL OF PROPOSALS

Offerors may amend or withdraw proposals prior to the deadline for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to the STATE's request.

After the deadline, offerors may make a written request to withdraw proposals and provide evidence that a substantial mistake has been made, and the STATE may permit withdrawal.

1.15 NEWS RELEASES

Offerors shall not make any news releases related to this RFP without prior approval of the STATE.

1.16 CONFLICT OF INTEREST

Under state laws and rules, a state employee or official shall not participate directly or indirectly in a procurement when the state employee or officials knows of a conflict of interest. Potential conflicts of interest include state employees or their immediate family members employed by the firm, seeking employment with the firm, or with a financial interest in the firm. Potential conflicts of interest will be addressed in accordance with [N.D.A.C. § 4-12-04-04](#). [N.D.C.C. § 12.1-13-03].

Persons employed by the State of North Dakota, or within one year thereafter, may be prohibited from acquiring a pecuniary interest in a public contract or transaction. Offerors should review N.D.C.C. § 12.1-13-02 to ensure compliance and avoid such conflict(s) of interest.

1.17 ATTEMPT TO INFLUENCE PROHIBITED

Offerors must not give or offer to give anything to a state employee or official anything that might influence, or appear to influence procurement decisions. Suspected attempt to influence will be handled in accordance with [N.D.A.C. § 4-12-04-05](#).

1.18 COLLUSION PROHIBITED

Offerors must prepare proposals independently, without collusion. Suspected collusion will be handled in accordance with [N.D.A.C. § 4-12-04-06](#).

1.19 PROTEST AND APPEAL

An interested party may protest a solicitation pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-01](#). When a solicitation contains a deadline for submission of questions and objections, protests of the solicitation will not be allowed if these faults have not been brought to the attention of the procurement officer before the specified deadline. If no deadline for questions is specified, protest based upon defects in the solicitation must be made at least seven calendar days before the deadline for receipt of proposals.

An offeror that has submitted a response to a solicitation and is aggrieved may protest an award or notice of intent to award pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-02](#). The protest must be submitted in writing to the Procurement Officer during the protest period, which is seven calendar days beginning the day after the notice of intent to award is issued.

The protestor may appeal the decision of the procurement officer to the Director of Office of Management and Budget (OMB) within seven calendar days after receiving notice of the decision pursuant to [N.D.C.C. § 54-44.4-12](#) and [N.D.A.C. § 4-12-14-03](#).

SECTION TWO – BACKGROUND

2.1 BACKGROUND INFORMATION

The [North Dakota Retirement and Investment Office](#) (RIO) was established in 1989 to coordinate the activities of the State Investment Board (SIB) and the Teachers' Fund for Retirement (TFFR) as stated in [Section 54-52.5-01 of the North Dakota Century Code](#).

The mission of RIO includes:

- SIB clients receive cost effective investment services directed at meeting their written financial goals under the Prudent Investor Rule.
- SIB clients receive investment returns consistent with their written investment policies and market variables.
- Potential SIB clients have access to information regarding the investment services provided by the SIB.
- TFFR benefit recipients receive their retirement benefits in a cost effective and timely manner.
- TFFR members have access to information which will allow them to become knowledgeable about issues and the process of retirement.
- SIB clients and TFFR benefit recipients receive satisfactory services from the boards and staff of the office.

RIO is seeking to fill the position of Chief Investment Officer/Executive Director (CIO/ED). This position directs the investment program of the SIB as well as oversees the planning, supervising, and directing of the office operations, under the general direction of the SIB in accordance with governing statutes and board governance policies. (See Attachment A)

The SIB has statutory responsibility for the administration of investment programs of several funds, including the TFFR, the Public Employees' Retirement System (PERS), the Workforce Safety and Insurance Fund, Legacy Fund, as well as contractual relationships for investment management for certain political subdivisions. The SIB is an 12 person board, chaired by the Lt. Governor, and also includes the State Treasurer, the State Insurance Commissioner, the Executive Director of the Workforce Safety & Insurance office designee, the Land Commissioner and three representatives each of PERS and TFFR, appointed by their respective boards, as well as one member of the Legacy and Budget Stabilization Fund advisory board who serves as a non-voting member. Professional investment managers, consultants and custodians are retained to assist in the implementation of the investment program.

The investment program is highly sophisticated with ten asset classes and approximately 165 external investment manager relationships. The investments are pooled into three distinct groups, pension, insurance and Legacy Fund, and include 26 state and local government funds, including the Legacy Fund, an endowment established in 2010 to be funded by 30% of the State's oil and gas tax revenues. All investments are managed externally.

Current Structure:

The CIO/ED has oversight responsibility of eighteen (18) full-time employees, including a Deputy Chief Investment Officer who provides support to the CIO, assists in the selection and monitoring of investment managers and performs analysis of existing and prospective investments and a Deputy Executive Director/Chief Retirement Officer who oversees the administration of the TFFR pension program in accordance with government statutes and rules.

The CIO/Executive Director is appointed by and serves at the pleasure of the SIB. Key areas of responsibility include the following:

Investment Administration/Policy

- Works with the TFFR and PERS boards, and other clients, including the Legacy Fund Advisory Board, to formulate investment policies pertaining to the kind or nature of investments and limitations, conditions and restrictions upon the methods, practices or procedures for investment, reinvestment, purchase, sale or exchange transactions that should govern the investment of funds.
- Monitors investment performance using both sophisticated software products and quantitative measurement methods based on performance benchmarks and risk characteristics to evaluate the performance of various funds, assets classes and individual external investment managers.
- Directs the preparation of all necessary reports to keep the SIB apprised of investment performance, managing compliance with stated investment policies and contractual guidelines.
- In conjunction with the external investment consultant, monitors and evaluates the various investment options and develops appropriate research and recommendations for the SIB to evaluate new investment vehicles and potential external investment managers.
- Subject to the limitations contained in the law and policies adopted by the SIB, the CIO/Executive Director may sign and execute all contracts and agreements to make purchases, sales, exchanges, investments and reinvestments relating to the funds under the management of the SIB.

Pension Administration

- Oversees the Deputy Executive Director/Chief Retirement Officer and subordinate staff responsible for administering accurate, prompt, and efficient pension benefits program to constituents and educational outreach initiatives, including pre-retirement seminars and individual benefits counseling sessions.

Office Administration

- Provides leadership, coaching and feedback to assigned staff, recommending measures to improve performance and increase efficiency.
- Directs the preparation and execution of the budget and legislative agenda. Assures follow through and evaluates results.

- Establishes and maintains working relationships across all organizational work units and levels.
- Represents RIO and promotes its various programs to various stakeholders, constituencies, political subdivisions and the state legislature.
- Assures accountability and compliance with all statutory and SIB prescribed policies and procedures.

This position is currently vacant. The SIB has named an Interim Chief Investment Officer to oversee the SIB portfolio and an Interim Executive Director to administer the Teacher's Fund for the retirement program while an executive search is conducted to find a candidate to fill this position. The Interim CIO and ED are not candidates for the position.

Estimated Salary:

For the purposes of this Request for Proposal, the salary for the Chief Investment Officer/Executive Director position is anticipated to be in the range of \$210,000 - \$260,000. The actual salary will be dependent upon qualifications and experience of the selected candidate.

2.2 STATE LAWS, RULES AND POLICIES

[N.D.C.C. Chapter 21-10](#) State Investment Board (SIB)

[N.D.C.C. Chapter 54-52.5](#) State Retirement and Investment Office

[N.D.C.C. Chapter 15-39.1](#) Teachers' Fund for Retirement

[N.D.A.C. 102-01](#) State Investment Board

[N.D.A.C. 103-1](#) State Retirement and Investment Office

[N.D.A.C. 82-01-01](#) Organization of the Teachers' Fund for Retirement

[North Dakota Constitution Article X Section 26 Legacy Fund](#)

Current Position Description/SIB Governance Policies - See Attachment A

2.3 BUDGET

The funds for payment of this contract are already appropriated and identified.

SECTION THREE – SCOPE OF WORK

3.1 SCOPE OF WORK

The Contractor shall provide the SIB with executive recruiting services to fulfill the purpose of this RFP, including:

- Assistance in identifying desired skills and qualifications;
- Assistance with preparation of a search timeline;
- Assistance with review of the current job description and recommendations for amendments as appropriate;
- Identification and recruitment of nationwide candidates;
- Candidate appraisals, reference checks, mining of public domain information on the Internet, interviews and preparation of experience summaries, cultural fit assessment, and in-depth evaluations;
- Development and implementation of a process to narrow the candidate list;
- Assist in the development of the interview questions used by the search committee with the narrowed candidate list;
- Assistance with arrangements for search committee interviews;
- Responsible for finalists' background checks, including;
 - Credit Bureau Checks
 - Assist the State in conducting Criminal Background Checks in accordance with NDCC 12-60-24
- Assistance with arrangements for and interviews by the Board;
- Assistance negotiating a compensation package and employment terms and other customary or requested assistance in connection with the search;
- Provide SIB with progress reports.

STATE has an expectation that some onsite presence will be provided by the Contractor.

Employment Guarantee

Offerors must guarantee continued employment of the individual hired for a minimum of one year, preferably two years. If the individual leaves prior to the employment guarantee timeframe from the date of hire, the Offeror must reengage in one equivalent replacement search on an expenses-only basis (no additional fee), unless the candidate's departure has been caused by significant changes in reporting structure or responsibility. The State will not reimburse the contractor for expenses exceeding the maximum specified amount unless the contractor obtains prior written approval from the State in an amendment to the contract.

Open Records

North Dakota is an open meetings and open records state. Upon award, all proposals for the search firm will become public record, open and accessible to the public upon request (Ref. RFP sections 4.18 and 7.10). All information related to the CIO/ED candidates brought forward by the search firm, including employment applications, nominations, reference letters and other documents received or created by Board members, RIO employees, search committee members or their agents in connection with this search are confidential records under N.D.C.C. section 44-04-18.27, except for candidates designated as "finalists" which are public records. Meetings of the search committee and Board generally are open to the public; notice of meetings and posting of agenda are required. Executive sessions or "closed" meetings may be held to discuss information designated as confidential under North Dakota public records law. The State will work with the Contractor to respond to any open records requests.

In accordance with [OMB Fiscal Policy 517](#), the State will pay the reasonable costs of interviewees for jobs within the state, provided reimbursement for meals and lodging is at the same rate as for employees.

3.2 LOCATION OF WORK

The Contractor shall determine the extent of on-site work required to fulfill stated requirements.

State-Furnished Property/Services: The State will provide access to office personnel, documents and data as required by the Contractor. If the Contractor is conducting on-site work in Bismarck, the State will provide the Contractor with a reasonable amount of office space. The State will also provide the Contractor with access to copy and fax machines.

Contractor-Furnished Property/Services: The Contractor must furnish all labor, equipment, specialized software and supplies.

3.3 EXPERIENCE AND QUALIFICATIONS

In order for offers to be considered responsive, offerors must meet the mandatory qualification. An offeror's failure to meet this mandatory qualification will cause its proposal to be considered non-responsive and its proposal will be rejected.

Mandatory Requirement

The Offeror must have expertise in executive recruitment services, specifically; previous experience with the recruitment of public/private fund executives and public/private fund investment professionals, both responsible for the management of funds in excess of \$10 Billion.

Offerors must provide three (3) references from organizations where they provided similar executive search services, within the last five (5) years, as required by this RFP. Contact information for references should include contact names, addresses, telephone numbers, and valid email addresses. The State reserves the right to contact any references provided by the offeror. Offerors are invited to provide letters of reference from previous clients.

SECTION FOUR – PROPOSAL INSTRUCTIONS

4.1 PROPOSAL PREPARATION

The STATE discourages overly lengthy and costly proposals. An offeror must prepare its proposal using the prescribed proposal format and provide all the requested information; this will enable the proposal to be evaluated fairly and completely. If an offeror submits more than one proposal, each proposal must be prepared in accordance with these instructions.

4.2 PROPOSAL SUBMISSION INSTRUCTIONS

FORMAT

Each proposal will include a technical proposal and a cost proposal prepared in accordance with these instructions. The technical proposal and cost proposal must be submitted as separate documents, clearly labeled with the name of the Offeror and marked “Technical Proposal” and “Cost Proposal.” Costs must not be revealed in the technical proposal. Options may be discussed in the technical proposal, but all cost information must be in the cost proposal only.

EMAILED OR FAXED SUBMISSION

Sealed proposals are required; therefore, proposals cannot be submitted by email or fax to the procurement officer. Offerors may email or fax proposals to a third party to place in a sealed envelope and deliver by the deadline for proposal submission.

UPLOAD RESPONSE THROUGH THE STATE PROCUREMENT ONLINE SYSTEM (SPO ONLINE):

Offerors must electronically submit proposals through the State Procurement Online system (SPO Online) by the Solicitation Closing date and time.

1. This solicitation is posted on SPO Online at: <https://www.nd.gov/omb/vendor>
2. Click on “Bidding Opportunities.” Go to “Recent Solicitations” and find this solicitation.
3. Use “Upload Response” to upload a maximum of five (5), clearly labeled documents before the deadline for receipt of proposals in the RFP Schedule.
4. Offerors must upload their Technical Proposal and Cost Proposal in separate files.
5. The maximum file size allowed is 50mb per file.
6. All field entries must be alphanumeric. Dashes and underscores are allowed, however the system does not accept other special characters such as apostrophe, & symbol, quotation marks, etc.
7. Offerors will receive an email confirmation from infospo@nd.gov that the upload response was received including the “File Description” for the uploaded files. Review this email to ensure all files were successfully uploaded. If you do not receive an email confirmation, the upload was not successful, and you will need to upload the files again. If you do not receive an email confirmation after the reattempt, contact the Procurement Officer or the State Procurement Office at infospo@nd.gov or 701-328-2740.

Visit <https://www.nd.gov/omb/vendor/bidder-resources> for the SPO Electronic Response Job Aid which describes how to submit an electronic response.

4.3 PROPOSAL FORMAT

Prepare the technical proposal and cost proposal in accordance with these instructions.

Technical Proposal – Format the proposal with the following labeled sections:

- Section 1 – Cover Letter
- Section 2 – RFP Amendments
- Section 3 – Scope of Work Strategy

Section 4 – Experience and Qualifications
Section 5 – Contract Provisions
Section 6 – Open Records and Confidentiality

Cost Proposal – The Cost Proposal must be a separate document. Format the cost proposal following the RFP instructions.

4.4 TECHNICAL PROPOSAL

SECTION 1 – COVER LETTER

Proposals shall include a cover letter that includes the following:

1. The name of the offeror, name of the person to contact regarding the proposal, email address, telephone number, and mailing address.
2. Offerors are instructed to review the “Conflict of Interest” provisions in RFP Section 1 “Instructions.” If the firm, its employees or subcontractors working on the contract have an apparent or actual conflict of interest, provide a statement disclosing the circumstances of the apparent or actual conflict of interest. Otherwise, provide a statement that your firm, employees and subcontractors do not have a conflict of interest.
3. The cover letter must be signed by an individual with authority to bind the offeror. By signing the cover letter, an offeror certifies that it complies with:
 - a. All the requirements, terms and conditions as set forth in this RFP.
 - b. The requirement that the offeror’s proposal accurately describes the goods and services being offered to the STATE, and the proposal will be held firm for the period specified.
 - c. All local, state, and federal laws, rules, code laws, rules, code, regulation, and policies, including those relating to nondiscrimination, accessibility, civil rights and equal employment.
 - d. The requirement that this proposal was prepared independently without collusion.

SECTION 2 – RFP AMENDMENTS

Provide signed copies of all Solicitation Amendments issued by the STATE that were required to be acknowledged by offerors.

SECTION 3 –SCOPE OF WORK STRATEGY

Offerors must provide a comprehensive Executive Recruitment Strategy that details the approach being proposed to accomplish the scope of work set forth in Section 3.1 and 3.2 of this RFP.

- Offerors must provide comprehensive narrative statements that set out the recruitment strategy it intends to employ to accomplish the purpose of the RFP. Offerors must illustrate how the proposed approach will serve to accomplish the scope of work.
- Offerors must describe any software used to complete the scope of work.
- Offerors must provide a proposed schedule for completion of the work in this RFP.
- Offerors must provide a narrative or organizational chart that describes the composition of the Recruitment Team, including a description of the type of work each individual will perform.
- Offerors must address pertinent issues and potential problems related to the recruitment, such as not being able to fill the position, selected candidate declining, or successful candidate resigning shortly after beginning work.

- Offerors must describe the length of employment guarantee.
- STATE has an expectation that some onsite presence will be provided. Offerors must describe the extent of on-site work that will be utilized to perform the requested services.
- Offerors must describe how they will provide the SIB with progress reports.

SECTION 4 –EXPERIENCE AND QUALIFICATIONS

Offerors must provide information specific to the experience and qualifications of the firm and personnel that will perform the work called for in section 3.3 of this RFP, including:

Mandatory Requirements. An offeror must provide information to demonstrate meeting the Offeror Experience and Qualifications Mandatory Requirement in RFP Section 3, Scope of Work, [3.3, Experience and Qualifications](#).

- a) Statement indicating their experience of their firm in recruitment of public/private fund executives responsible for the management of funds in excess of \$10 Billion.
- b) Statement indicating their experience of their firm in recruitment of public/private investment professionals responsible for the management of funds in excess of \$10 Billion.
- c) List of similar recruitment projects, including those for local or state governments, and private sector companies. Provide contact information for previous clients with recruitment services similar to this project. The State reserves the right to contact any references the offeror provides.
- d) Certification that the firm meets the requirement to be independent and without conflicts related to RIO.
- e) Demonstration of a network of national public and private fund investment industry contacts and resources for purposes of locating candidates for this position.
- f) Lead consultant contact information and network of public and private fund investment industry contacts and resources
- g) Provide information of each personnel that will work on this project. Include the following:
 - i. Title;
 - ii. Resume, and or narrative description of professional experience related to the recruitment of public/private fund executives and public/private fund investment professionals experience and qualifications
 - iii. Technological acumen in recruitment programs and software used to complete the scope of work
 - iv. Professional certifications, licenses, and permits, if required by federal, state, or local law, to publicly perform recruitment services identified in the Contractor's work strategy
- h) Offerors must provide three (3) references from organizations where they provided similar executive search services, within the last five (5) years, as required by this RFP. Contact information for references should include contact names, addresses, telephone numbers, and valid email addresses. The State reserves the right to contact any references provided by the offeror. Offerors are invited to provide letters of reference from previous clients.

Subcontractors

If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform. All subcontractors

identified in the proposal who will perform work under the contract must meet or exceed all requirements of this RFP.

SECTION 5 – CONTRACT PROVISIONS

Offeror shall review the RFP Section 6 and the STATE's Contract – Attachment C.

The proposal must include indicate whether or not the offeror accepts the terms and conditions in the STATE's Contract.

An offeror may state that they accept the STATE's Contract as written.

An offeror may state any objections or propose changes or additions to the STATE's Contract. Describe the changes to the Contract being proposed or provide a red-line of the STATE's Contract. Offerors are not to submit their own contract or standard terms and conditions with their proposals. Offeror should address the specific language in the attached contract and submit any proposed changes.

North Dakota procurement statutes, rules, and policies allow some negotiation of the terms and conditions. No changes to the terms and conditions will be permitted without prior written approval from the STATE.

SECTION 6 – OPEN RECORDS AND CONFIDENTIALITY

All proposals and other material submitted become the property of the State and may be returned only at the State's option. The State of North Dakota has broad open records laws. Proposals received are exempt from open record requirements until an award is made, in accordance with [N.D.C.C. § 54-44.4-10\(2\)](#). After award, proposals are subject to the North Dakota open records laws. Proposals or portions of proposals may be confidential only if specifically stated in law.

Offerors are instructed not to mark their entire proposal as "confidential."

Offeror must provide one of the following in their proposal:

- Provide a statement indicating that their proposal does not contain any confidential information; or
- Make a written request to hold confidential any trade secrets and other proprietary data contained in its proposal. Offeror must clearly identify the material considered confidential and explain why the material is confidential. See the North Dakota Office of the Attorney General website for additional information. <https://www.legis.nd.gov/cencode/t44c04.pdf> and <https://attorneygeneral.nd.gov/open-records-meetings>

If the STATE receives a request for public information, the procurement officer, in consultation with the Office of the Attorney General, shall determine whether the information is an exception to the North Dakota open records laws, and the information shall be processed accordingly.

4.5 COST PROPOSAL

The cost proposal must identify:

- 1) The fixed fee for the proposed services (e.g. fixed cost or percentage of base salary).
- 2) The total estimated expenses based upon the proposed recruitment strategy, including a detailed description of those expenses.

If fixed fee based upon percentage of base salary is proposed, that fee will be evaluated using a salary of \$235,000. The actual fee paid to the Contractor will be based upon the final base salary accepted by the successful candidate.

The total estimated expenses will establish the maximum amount for expenses in the Contract. The State will not reimburse the Contractor for expenses exceeding that amount, unless the Contractor obtains prior written approval from the State in an amendment to the Contract.

All costs associated with the contract must be stated in U.S. currency. Any commodities being imported must be identified, and the price must include any applicable customs, brokerage agency fees, and duties.

Offerors should describe any discount terms for prompt payment. Discounts for prompt payment will not be considered in evaluating cost.

SECTION FIVE – AWARD AND PROPOSAL EVALUATION

5.1 AWARD

The STATE intends to award a contract to the responsible offeror whose proposal is determined to be responsive to the requirements of the solicitation and is determined to be most advantageous in consideration the RFP evaluation criteria.

5.2 RESPONSIVENESS

All proposals will be evaluated to determine if they are responsive to the requirements of the solicitation. The STATE reserves the right to waive minor informalities in accordance with [N.D.A.C. chapter 4-12-10](#). Minor informalities are insignificant omissions or nonjudgmental mistakes that are matters of form rather than substance, evident from RFP document, with a negligible effect on price, quantity, quality, delivery, or contractual conditions that can be waived or corrected without prejudice to other offerors. Responsive proposals will be evaluated by the procurement officer or evaluation committee using the evaluation criteria stated in the RFP.

5.3 RESPONSIBILITY – SUPPLEMENTARY INVESTIGATION

The STATE reserves the right to contact references, other customers, including state and local government agencies, regarding past experience with the offeror. Prior experience of the state agency or institution with any prospective offeror may also be taken into consideration during evaluation.

The STATE may, at any time, may make a supplementary investigation as to the responsibility of any offeror in accordance with [N.D.A.C. § 4-12-11-04](#). This investigation may include, but is not limited to, financial responsibility, capacity to produce, sources of supply, performance record, or other matters related to the offeror's probable ability to deliver if a contract is awarded to the offeror. If it is determined that an offeror appears not to be sufficiently responsible, the proposal will be rejected.

5.4 EVALUATION CRITERIA

Proposals will be evaluated using a 100 point scale. The evaluation committee will award points based on the questions in the Technical Proposal Evaluation Worksheet – Attachment B. The technical proposal evaluation score and cost proposal evaluation score will be added together to determine the total evaluation score. After the initial evaluation, the evaluation committee may determine which proposals are reasonably susceptible for award and continue the evaluation process with only those offerors. Offerors whose proposals are not selected for further evaluation may request a debrief from the procurement officer after an award notice is issued. The final evaluation score will consider information received by the State, including but not limited to, discussions with offerors, demonstrations, presentations, site visits, reference checks, and best and final offers.

The evaluation criteria and relative weight is as follows:

Technical Proposal Evaluation: 80 Points

- A. Scope of Work Strategy – 40 Points
- B. Experience and Qualifications – 40 Points

Cost Proposal Evaluation: 20 Points

Minimum Technical Score: Technical proposals must receive at least 40 of the total points available for the Technical Score to be considered responsive to the RFP requirements.

The technical proposal evaluation score and cost proposal evaluation score will be added together to determine the total evaluation score.

5.5 COST PROPOSAL EVALUATION – RECIPROCAL PREFERENCE

The STATE will calculate evaluation points awarded to cost proposals. Any prompt payment discount terms proposed by the offeror will not be considered in evaluating cost.

The cost amount used for evaluation may be affected by the application of North Dakota preference laws in accordance with [N.D.C.C. § 44-08-01](#). The preference given to a resident offeror will be equal to the preference given or required by the state of the nonresident offeror (i.e. reciprocal preference). For more information, refer to [Guidelines to North Dakota Purchasing Preference Laws](#).

The cost amount used for evaluation may also be affected by the application of other costs required to implement the proposed solution to determine the total cost of the solution (i.e. cost for ITD to host a STATE hosted solution).

After applying any reciprocal preference, the lowest cost proposal will receive the maximum number of points allocated to cost. Cost proposals will be evaluated using the following formula.

$$\frac{\text{Price of Lowest Cost Proposal}}{\text{Price of Proposal Being Rated}} \times \text{Total Points for Cost Available} = \text{Awarded Points}$$

5.6 CLARIFICATIONS OF PROPOSALS – DISCUSSIONS

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or evaluation committee are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal and determine responsiveness to the RFP requirements. Discussions will be limited to the specific section of the RFP or proposal indicated by the STATE. Discussions are generally conducted by telephone or internet-based conference.

In conducting discussions, there may be no disclosure of any information derived from proposals submitted by competing offerors. Clarifications may not result in material or substantive change to the proposals. Evaluation scores may be adjusted based in consideration of information obtained through discussions.

5.7 RIGHT OF REJECTION

The STATE reserves the right to reject any proposals, in whole or in part. Proposals received from suspended or debarred bidders will be rejected. Proposals determined to be nonresponsive to the requirements of the RFP will be rejected. The STATE reserves the right to reject the proposal of an offeror determined to be not responsible. The STATE reserves the right to refrain from making an award if determined to be in its best interest.

5.8 PRESENTATIONS/DISCUSSIONS

After the initial evaluation, STATE may require vendors to complete online presentations/discussions for the evaluation committee. If they are required, STATE may determine which proposals are reasonably susceptible for award and continue the evaluation process with only those offerors. Offerors shall be responsible for all associated costs, including any travel and per diem. Offerors whose proposals are not selected for further evaluation may request a debrief from the procurement officer after an award notice is issued.

5.9 BEST AND FINAL OFFERS

The STATE is not obligated to request best and final offers; therefore, offerors should submit their best terms (technical and cost) in response to this RFP.

If the STATE determines there is a need for any additional information, substantial clarification or changes to the RFP or proposals, the STATE may request for best and final offers from offerors that have submitted proposals determined to be reasonably susceptible for award. The best and final offer request will describe the additional information, clarification, or change being requested.

A date and time will be established for receipt of revised proposals. If an offeror does not submit a best and final offer, the STATE shall consider its original proposal as its best and final offer.

Best and final offers will be evaluated using the evaluation criteria stated in the RFP. The STATE may request more than one Best and Final Offer.

5.10 NEGOTIATIONS

Contract negotiations will be conducted in accordance with [N.D.A.C. § 4-12-12](#). The STATE may enter into negotiations with one or more offeror whose proposals received the highest scores and are reasonably susceptible for award. During negotiations, the STATE and offeror may agree to alter or otherwise change the terms and conditions and price of the proposed contract. Negotiation, if held, will be within the scope of the RFP and limited to those items that would not have an effect on the ranking of proposals.

Each offeror will be responsible for all costs it incurs as a result of negotiations, including any travel and per diem expenses. Contract negotiations will be conducted primarily by email, conference calls, or internet-based conference. Any on-site negotiation, if needed, will be held in Bismarck, North Dakota.

The STATE may terminate negotiations, reject a proposal as nonresponsive, and continue or commence negotiations with other offerors reasonably susceptible for award, if the offeror:

- fails to provide necessary information for negotiation in a timely manner,
- fails to negotiate in good faith,
- is unable to successfully negotiate contract terms that are acceptable to the STATE, or
- indicates that it cannot perform the contract within the budgeted funds.

5.11 NOTICE OF INTENT TO AWARD

After proposals have been evaluated and the successful offeror selected, notice of intent to award will be promptly issued to all offerors that submitted proposals. Upon issuance of this notice, the procurement file becomes an open record.

The successful offeror named in the Notice of Intent to Award is advised not to begin work, purchase materials, or enter into subcontracts until the successful offeror and the STATE sign the contract.

5.12 CONTRACT APPROVAL

This RFP does not, by itself, obligate the STATE. The STATE's obligation shall commence when the STATE signs the contract. Upon written notice to the contractor, the STATE may set a different starting date for the contract. The STATE shall not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the STATE.

5.13 EVALUATION DEBRIEFING

After the notice of intent to award is issued, offerors may contact the Procurement Officer to schedule an evaluation debrief. The debrief will provide information about the evaluation process and proposal scores.

SECTION SIX – CONTRACT INFORMATION

6.1 NORTH DAKOTA CONTRACTUAL REQUIREMENTS – BACKGROUND

As a public institution and government entity of the State of North Dakota (the STATE), there are a number of statutes, rules, and policies (Requirements) that may restrict or prevent the STATE from entering into certain types of contracts or certain contractual terms and conditions, some of these Requirements are non-negotiable.

While these Requirements occasionally make the process of negotiating a contract with the STATE more challenging than negotiating with a private industry business, these are not unique to any one agency of the State of North Dakota. These Requirements apply to all public institutions and government entities of the State of North Dakota. Although some are unique to North Dakota, the majority of these Requirements are common to public institutions and government entities throughout the United States.

6.2 STATE CONTRACT TERMS AND CONDITIONS – OFFEROR’S PROPOSED CHANGES

The STATE intends to execute a contract substantially similar to the Contract – Attachment C. The offeror will be required to sign the Contract attached to this RFP and must comply with the terms and conditions. The STATE may deem any failure to object to a contract provision as the offeror’s acceptance of that provision.

North Dakota procurement statutes, rules, and policies allow some negotiation of the terms and conditions. No changes to the terms and conditions will be permitted without prior written approval from the STATE.

Pursuant to [N.D.A.C. § 4-12-11-06](#), proposals subject to conditions imposed by the offeror may be rejected as nonresponsive, as determined by the STATE. Proposed terms and conditions that conflict with those contained in the attached contract or that diminish the STATE’s rights under the contract shall be considered null and void. The terms and conditions in the attached contract shall prevail in the event a conflict arises between a term or condition in the proposal and a term or condition in the attached contract.

Part or all of this RFP and offeror’s proposal may be incorporated into the attached contract.

The STATE may deem any failure to object to a contract provision as the offeror’s acceptance of that provision.

6.3 CONTRACT PROVISIONS

Contract Type

Firm Fixed Price. The contractor will be required to hold the price firm for the contract period, except as otherwise provided in the contract.

Payment Procedures

Compensation and payment terms will be set forth in the contract based upon the successful offeror’s proposal. The STATE will not make any advanced payments before performance by the contractor under this contract.

- The STATE will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and the project director has approved invoice.

Inspection & Modification

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the STATE. The STATE may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract.

Should the STATE determine that corrections or modifications are necessary in order to accomplish its intent, the STATE may direct the contractor to make changes. The contractor will not unreasonably withhold changes.

Substantial failure of the contractor to perform the contract may cause the STATE to terminate the contract. In this event, the STATE may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

Contract Changes – Unanticipated Amendments

During the course of the contract entered as a result of this solicitation, the contractor may be required to perform additional work due to a legitimate unforeseen circumstance. That work will be within the general scope of the initial contract. When additional work is required, the STATE shall provide contractor a written description of the additional work and request contractor to submit proposal for accomplishing the scope of work. CONTRACTOR will not commence additional work until all parties agree in writing.

Purchasing Card

STATE may make payments under this contract using a state purchasing card. See the contract related to payments using the STATE purchasing card.

6.4 CONTRACTUAL TERMS AND CONDITIONS – NO MATERIAL CHANGES

A. Indemnification and Insurance

[N.D.C.C. § 32-12.2-17](#) requires that the Office of Management and Budget establish guidelines for indemnification and insurance provisions in state contracts. The indemnification and insurance requirements contained in the attached contract are pursuant to those guidelines. The STATE shall not be deemed to have accepted any alteration of these provisions without prior written approval to offeror from the STATE acting in consultation with the North Dakota Risk Management Division.

B. Indemnification

Indemnification is a contractual clause by which one party to a contract asks the other party to defend it against any claims of third parties who might be injured as a result of something that occurs while the parties are performing their duties and obligations under the contract. Without specific authority to do so, the STATE agencies cannot enter into agreements indemnifying contractors, or any other entity, against third party claims.

Any clause that has the intent of seeking indemnification from the STATE, whether or not the clause contains the words “indemnity” or “indemnify,” are not clauses to which the STATE may agree.

The STATE will also not agree to clauses to indemnify a contractor “to the extent permitted by law.” This is because the STATE knows that the extent to which the law permits it to indemnify

contractors is no extent whatsoever, and as a result would be disingenuous for the STATE to imply in a contract that there might be some set of circumstances under which the STATE would defend the contractor against a third party claim(s). Simply put, the STATE is not going to agree to something it knows it cannot do. In this circumstance an “extent” clause is merely an invitation to litigate the matter in the event a third party claim(s) arises, and the STATE does not enter into agreements that invite litigation. Do not ask the STATE to indemnify you against third party claims because it is a contractual obligation to which the STATE cannot agree.

C. Insurance

Upon receipt of the Notice of Intent to Award, the successful offeror must obtain the required insurance coverage and provide the procurement officer with proof of coverage prior to contract approval. The coverage must be satisfactory to the STATE, in consultation with the North Dakota Risk Management Division. The successful offeror’s failure to provide evidence of insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

D. Limitation of Liability

[N.D.C.C. § 32-12.2-15](#) establishes that the STATE is prohibited from limiting direct damages, including those resulting from property damage or personal injury. Any request by an offeror for the STATE to limit direct damages is a request to which the STATE cannot agree. The law provides the STATE some discretion to limit liability for indirect damages, but that discretion may only be exercised: a) in contracts for the purchase or lease of, or services related to, software, communication, or electronic equipment and economic forecasting; and b) after consultation with the Office of the Attorney General and Risk Management.

E. Waivers of Jurisdiction and Venue; Alternative Dispute Resolution

The North Dakota Attorney General is the STATE’s attorney for all purposes, including management of litigation and claims against the state. The STATE may not usurp the Attorney General’s authority by agreeing in advance to control the way litigation may be managed in the event of a dispute. The STATE cannot, without specific authority, agree to the jurisdiction or the laws of another state or federal courts, nor can it contractually agree to participate in any form of alternative dispute resolution.

Although the STATE cannot contractually agree to such terms, this does not mean that in the event of a dispute, the STATE would not agree to participate in alternative dispute resolution. It simply means that this is a decision that must be made by the Attorney General and is a decision that is made at the time a dispute arises.

F. Confidentiality

All state agencies of North Dakota are subject to North Dakota public records laws. The STATE cannot agree to contractual terms that attempt to prevent it from having to disclose records that are declared public records under applicable statutes. Although some confidentiality and exemptions are allowed under the public records laws, the STATE may not agree to more restrictive obligations concerning its records. Under North Dakota public records laws, contracts are records that are open to the public and may be reviewed at the request of the public.

G. Unliquidated Expenses (i.e., attorney’s fees, add-ons, cost increases)

Because the STATE may only obligate those funds that have been appropriated to it by the Legislative Assembly and may only obligate those funds for the purposes for which the funds were appropriated, the STATE may not agree to clauses which may obligate it to pay for claims that might exceed its current funding appropriation. Certainly, this is one of numerous reasons why the STATE cannot indemnify a contractor against third party claims, but it may also be said for clauses that purport to obligate the STATE to pay a contractor’s attorneys’ fees, unknown cost increases during the life of the contract, add-ons that were not contemplated or priced in the contract.

6.5 SCOPE OF WORK

The Scope of Work agreed upon by the parties will be incorporated into the attached contract.

6.6 CONTRACT TERM

The contract term will be set forth in the contract, including any options for extension, renewal, and renegotiation.

6.7 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the STATE may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the STATE makes an inspection, the contractor must provide reasonable assistance.

BOARD APPROVAL REQUESTED

TO: State Investment Board (SIB)
FROM: Jan Murtha
DATE: July 23, 2021
SUBJECT: **SIB/TFFR Meeting Schedules 2021/22**

State Investment Board (Start time 8:30 a.m.)

1. July 23, 2021 (Election of Officers)
2. **August 27, 2021 (Tentative)**
3. **September 24, 2021 (Fiscal Year-End Performance Review as of 6/30/2021)**
4. October 22, 2021
5. November 19, 2021 (Quarterly Performance Review as of 9/30/2021)
6. January 28, 2022
7. February 25, 2022 (Quarterly Performance Review as of 12/31/2021)
8. March 25, 2022 (Tentative)
9. April 22, 2022
10. May 20, 2022 (Quarterly Performance Review as of 3/31/2022)

Teachers' Fund for Retirement (Start time 1:00 p.m.)

1. July 22, 2021
2. July 23, 2021 (Canceled)
3. September 23, 2021
4. November 18, 2021
5. January 27, 2022
6. March 24, 2022
7. April 21, 2022

SIB Audit Committee (Start time 2:30 p.m.)

1. August 11, 2021
2. November 16, 2021
3. February 16, 2022
4. May 11, 2022

SIB Securities Litigation Committee (Start time 2:00 p.m.)

1. August 5, 2021
2. November 4, 2021

SIB Executive Search Committee

1. July 26, 2021 – 3:30 p.m.

SIB Executive Review Committee

No Meetings Scheduled

MEMORANDUM

TO: State Investment Board

FROM: Connie Flanagan, CFO

DATE: July 15, 2021

RE: Contingency Line Approval Request

As was shared at the last meeting, RIO is expecting to have an unprecedented amount of “unforeseen” expenses coming up during the 2021-23 biennium that were not fully anticipated during the last legislative session. These include an office location move to the WSI building, including some required renovations to the new space, as well as the upcoming Executive Director/CIO executive search. Thankfully we did receive approval for an increase of appropriation authority to our contingency line. At this time, RIO is asking the SIB to approve the use of the contingency line for payment of the executive search firm. The exact amount is unknown at this time but based on previous experience is expected to exceed the \$100,000 authorized in the contingency line. We will continue to provide future updates with more details on exact expenditures and budget availability, including an update on the RIO office move costs and how those will be paid.

Memorandum

To: State Investment Board

From: Matt Posch, Investment & Compliance Officer

Date: July 13, 2021

RE: Annual Affirmation of Code of Conduct Policy

Governance Process Policy B-8, *Board Members' Code of Conduct*, which is attached to this memorandum, details the Code of Ethical Responsibility for the SIB. Item #10 of this policy indicates that each Board Member is required to reaffirm their understanding of this policy annually and disclose any conflicts of interest. Therefore, please read and sign the statement below to comply with this requirement.

"I have read and understand SIB Governance Process Policy B-8 *Board Members' Code of Conduct*. I have disclosed any conflicts of interest as required by this policy."

Name (printed) _____

Signature _____

Date _____

Detail of any conflicts of interest (if any):

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*

The following will be the Code of Ethical Responsibility for the SIB:

1. SIB members owe a duty to conduct themselves so as to inspire the confidence, respect, and trust of the SIB members and to strive to avoid not only professional impropriety but also the appearance of impropriety.
2. SIB members should perform the duties of their offices impartially and diligently. SIB members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and regulations and to refrain from any form of dishonest or unethical conduct. Board members should be unswayed by partisan interest, public sentiment, or fear of criticism.
3. Conflicts of interest and the appearance of impropriety shall be avoided by SIB members. Board members must not allow their family, social, professional, or other relationships to influence their judgment in discharging their responsibilities. Board members must refrain from financial and business dealings that tend to reflect adversely on their duties. If a conflict of interest unavoidably arises, the board member shall immediately disclose the conflict to the SIB. A board member must abstain in those situations where the board member is faced with taking some official action regarding property or a contract in which the board member has a personal interest. Conflicts of interest to be avoided include, but are not limited to: receiving consideration for advice given to a person concerning any matter over which the board member has any direct or indirect control, acting as an agent or attorney for a person in a transaction involving the board, and participation in any transaction involving for which the board member has acquire information unavailable to the general public, through participation on the board.

“Conflict of Interest” means a situation in which a board member or staff member has a direct and substantial personal or financial interest in a matter which also involves the member’s fiduciary responsibility.

4. The board should not unnecessarily retain consultants. The hiring of consultants shall be based on merit, avoiding nepotism and preference based upon considerations other than merit that may occur for any reason, including prior working relationships. The compensation of such consultants shall not exceed the fair value of services rendered.
5. Board members must abide by North Dakota Century code 21-10-09, which reads: “No member, officer, agent, or employee of the state investment board shall profit in any manner from transactions on behalf of the funds. Any person violating any of the provisions of this section shall be guilty of a Class A misdemeanor.”
6. Board members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities.
7. All activities and transactions performed on behalf of the public funds must be for the exclusive purpose of providing benefits to plan participants and defraying reasonable expenses of administering the plan.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: *BOARD MEMBERS' CODE OF CONDUCT*

8. Prohibited transactions. Prohibited transactions are those involving self-dealing. Self-dealing refers to the fiduciary's use of plan assets or material, non-public information for personal gain; engaging in transactions on behalf of parties whose interests are adverse to the plan; or receiving personal consideration in connection with any planned transaction.
9. Violation of these rules may result in an official reprimand from the SIB. No reprimand may be issued until the board member or employee has had the opportunity to be heard by the board.
10. Board Members are required to affirm their understanding of this policy annually, in writing, and must disclose any conflicts of interest that may arise (See Exhibit B-I).

Policy Implemented: June 23, 1995.

Amended: January 22, 1999, February 25, 2011, January 27, 2012, February 27, 2015.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
50 South Capital	Legacy	Private Equity	21-Jun	50 South Capital is an alternatives asset management firm desgined to meet the core strategeic needs of investors seeking access to private equity, private credit, and hedge funds. The North Dakota 1889 Growth Fund seeks to further advance innovation and private markets investments in North Dakota by seeking investments that provide strong risk-adjusted returns and support the growing entrepreneurial ecosystem in the state.
Adams Street Partners Miguel Gonzalo	Pension	Private Equity	various commitments since 1991	The Adams Street Partnership Fund Program ("ASP Fund Program") invests in private equity partnerships and portfolio companies, creating a portfolio diversified by time, manager and subclass. Investment commitments will typically be made over a three- to four-year period in venture capital, buyout and other partnerships, which include mezzanine/subordinated debt, restructuring/distressed debt and special situations. A portion of a participant's subscription to the ASP Fund Program may be used to opportunistically invest in secondary interests in private equity partnerships and/or their portfolio companies. All of the Adams Street Partner funds which North Dakota State Investment Board has invested in are based in U.S. dollars.
Ares - ND Credit Strategies Molly Shulmann	Pension Legacy	Below Inv Grade FI Fixed Income	Sep-17 Sep-17	The investment objective of the Ares ND Credit Strategies Fund LLC (the "Fund") is to invest in directly originated, primarily senior secured loans in high quality middle market companies in North America. The Fund seeks to generate current income with some long-term capital appreciation.
Atlanta Capital Emma Hutchinson	Pension Insurance Legacy	Small Cap Equity Small Cap Equity Small Cap Equity	April-16 December-19 December-19	The High Quality Small Cap strategy is a fundamental core approach that invests in small cap companies in strong financial condition and whose equities are priced below the team's estimate of fair value. The investment team seeks to own innovative businesses that dominate a niche, maintain high barriers to entry, and have consistent demand over an economic cycle. They conduct bottom-up proprietary research, and meet with the management teams as well as visit the facilities of each of their companies. Stock purchases are analyzed as if they were a potential acquirer of the entire business. Atlanta Capital's Core Equity team is comprised of three portfolio managers and one investment specialist. Each portfolio manager serves as a generalist and conducts his own analytical research while investment decisions are made on a consensus basis. Chip Reed, CFA, Bill Bell, CFA and Matt Hereford, CFA are responsible for all purchase and sell decisions.
Axiom International Lindsay Chamberlain	Pension	Emerging Markets Equity	August-14	The Emerging Markets strategy seeks to invest in emerging market securities issued by companies whose key business drivers are both improving and exceeding expectations, as determined by Axiom's stock selection techniques focused on fundamental company analysis. The strategy considers emerging markets securities to include securities of companies either (i) located in countries that are not included in the MSCI Developed Markets Index series or (ii) that derive a majority of their revenues or assets from a country or countries not included in the MSCI Developed Markets Index series, in each case at the time of investment. Although the Manager generally expects the strategy's investment portfolio to be geographically diverse, there are no prescribed limits on geographic distribution of the strategy's investments and the strategy has the authority to invest in securities traded in securities markets of any country in the world.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
Barings Jeff Stammen	Insurance	Short Term Fixed Inc	Aug-19	<p>The investment objective of the Babson Capital's Active Short Duration Strategy is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals driven by client activity. The portfolio seeks to achieve a high total rate of return primarily from current income while minimizing fluctuations in capital values by investing in a well-diversified portfolio of US Government, mortgage-backed, asset backed securities and corporate bonds.</p> <p>The investment team uses proprietary research to conduct value-driven sector rotation and intensive credit and structure analysis, while utilizing a dynamic yield curve management process, to construct effective portfolios. In addition to income, primary goals for the Active Short Duration strategy are stability and liquidity. In meeting these goals, risk is measured by perceived or actual changes in credit worthiness, adequate diversification and exposure to potential changes in interest rates. Babson Capital explicitly manages the portfolio to minimize these risks and endeavors to add value through security selection and portfolio duration structure designed to maximize the risk-return characteristics of the yield curve.</p>
Blackrock Private Equity Partners (PEP) Private Opportunities Fund Simon Dwyer	Pension	Private Equity	January-17	<p>PEP seeks to build a diversified private equity program diversified across investment type, strategy, stage, industry sector, geography and vintage year. PEP offers comprehensive access to premier investments across Primaries, Secondaries, and Co-investments, as well as the technical expertise and investment know-how necessary to build and manage a successful customized fund of funds program. The PEP customized program allows the NDSIB to tailor exposures around its existing private equity investments.</p> <p>PEP sits within BlackRock, Inc. ("BlackRock"), a global Investment firm with \$4.6 trillion assets under management. BlackRock is a publicly traded corporation that employs 135+ investment teams, and operates in 30 countries and 70 cities across the Americas, Europe, Asia-Pacific, the Middle East, and Africa.</p>
Capital Int'l V & VI Jim McGuigan	Pension	Private Equity	Aug-07	<p>Capital International Private Equity Fund (CIPEF) has a geographic focus in global emerging markets. CIPEF's investment focus, by stage, primarily includes buy-outs, expansion capital, and replacement capital.</p>
Cerberus - ND Private Credit Andrew Solomon	Pension Legacy	Below Inv Grade FI Fixed Income	Aug-17 Aug-17	<p>The Partnership's objective is to achieve superior risk-adjusted returns mainly through origination of, and investment in, secured debt assets. The Partnership expects to generate both current income and capital appreciation. The Partnership intends to fund the origination of secured debt of U.S. middle-market companies directly or through the use of one or more SPVs. Such debt may be senior or junior and may be collateralized by a variety of assets. The Partnership may also originate or invest in revolving credit facilities and may make investments in other debt assets, including secured or unsecured debt assets originated by other parties and/or trading on the secondary market. In addition, the Partnership may make other investments on an opportunistic basis.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
Clifton Group (Parametric Portfolio Associates) Ben Lazarus	Pension	Dom Lg Cap Equity	Nov-09	The Clifton Group believes that the U.S. equity universe is highly efficient. As such, we utilize a method of constructing the portfolio that we believe provides us with the greatest likelihood of outperforming the index. Specifically equity futures are used to gain the benchmark exposure. The underlying cash portfolio is then invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.
	Insurance	Dom Lg Cap Equity	Apr-11	
	Legacy Fund	Dom Lg Cap Equity	Nov-09	
			Nov-09	
			March-15 May-15	Each Enhanced Equity portfolio is carefully constructed and managed within strict quality and diversification guidelines. The Portfolio Management Team oversees all aspects of the construction and management process. Individual Portfolio Managers oversee different parts of the portfolio, but all are required to stay within pre-determined guidelines as provided by NDSIB. The account is monitored daily to verify that performance is maintained within expectation bands. Furthermore, accounts are reconciled monthly and audited semi-annually to confirm compliance with all existing guidelines.
Corsair (Fund III) James Kirk	Pension	Private Equity	Feb-07	<p>Corsair seeks to earn strong risk-adjusted returns by leveraging the investment team's knowledge and contacts to identify and execute attractive investments in companies in the financial services industry around the world. Corsair takes control and minority positions, either individually or as a lead member of an investor consortium. Target investments include both privately-held and public companies, generally via private transactions when the target company loses access to, or has difficulty accessing, the public capital markets. In certain circumstances, the Fund may acquire pools of financial assets or securities, or provide financing to a secured pool of assets.</p> <p>Corsair endeavors to develop a strong relationship and high degree of influence with investee company senior executives and key shareholders. In many instances, Corsair obtains Board representation, observer seats, or other types of management rights. Given the complexities of investing in a regulated industry, Corsair's ability to receive more traditional generalist buyout governance rights is often limited, and its ability to influence managerial decisions requires a degree of experience which Corsair believes can only be achieved through a long and consistent history of investing in the financial services sector. Corsair expects the Fund to make 10 to 15 investments over its investment period, although there can be no assurances with respect to the number of investments that will be made. Corsair anticipates holding its investments for between three and six years. In those instances where Corsair is part of an investor consortium, Corsair generally endeavors to act as a lead or co-lead investor, as was the case in all Corsair III investments. On select occasions Corsair expects to co-invest with strategic partners that are capable of bringing added value to an investment and where the Fund's exit considerations can be addressed. Above all, Corsair's value-driven investment style focuses on those investment opportunities in which the Investment Advisor believes that a positive discrepancy exists between an asset's price and its intrinsic value.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
DFA - Dimensional Fund Advisors Joe Young	Pension	Developed Int'l Equity	Nov-07	The International Small Cap Value Portfolio invests in the stocks of small, non-US developed markets companies that Dimensional believes to be value stocks at the time of purchase. Size is defined as the smallest 8-10% of each country's market capitalization. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). This BtM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price-to-earnings ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio currently invests in companies in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. It does not invest in emerging markets.
	Insurance	Int'l Equity	Nov-07	
	Legacy	Int'l Equity	Feb-02	
DFA - Dimensional Fund Advisors Joe Young	Pension	Emerging Markets Equity	Oct-05	The Emerging Markets Small Cap Portfolio invests in small cap emerging markets companies. Presently, this means investment in companies whose market capitalization is less than \$2.3 billion at the time of purchase. Dimensional will consider, among other things, information disseminated by the International Finance Corporation in determining and approving emerging market countries. The Portfolio currently invests in companies in Brazil, Chile, China, Hungary, India, Indonesia, Israel, Malaysia, Mexico, the Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Due to repatriation restrictions, the Portfolio currently holds but does not purchase securities in Argentina.
DMR (Declaration Total Return Bond Fund) Amy McPike	Pension	Dom Inv Grade FI	Apr-12	<p>The Fund's investment objective is to achieve net returns in the range of 6% to 10% annualized over rolling 3-year periods. The Investment Advisor attempts to achieve this objective using fundamental analysis to evaluate the pricing and volatility of a wide range of MBS and other structured finance securities while also making a relatively small allocation to corporate bonds. The Fund invests primarily in residential ("RMBS") and commercial ("CMBS") mortgage-backed securities. The Investment Advisor expects the Fund's returns to be achieved — if the Fund is successful — through both cash flow yield and trading gains.</p> <p>The Fund's portfolio holdings consist primarily of RMBS issued by private sector companies ("Non-Agency RMBS") and government agencies ("Agency MBS") and CMBS issued by private sector companies. Agency MBS includes securities issued by the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Government National Mortgage Association ("Ginnie Mae"). Portfolio holdings may range from short tenor senior classes to stressed issues or subordinated securities with substantial risk of non-payment and correspondingly higher yields. The tactical weighting of the Fund's portfolio across the different sub-sectors of the securitization market varies according to the Investment Advisor's perception of sub-sector as well as overall market volatility and liquidity. Smaller portfolio allocations may include consumer asset-backed securities ("ABS"), other structured credit securities and corporate bonds. As a diversification strategy and a potential hedge to credit risk, the Fund may invest in securities which tend to benefit from slow mortgage prepayments and economic growth, such as interest only ("IO") MBS. Other Fund investments may include U.S. government securities ("U.S. Treasuries"), unsecured debt securities issued by U.S. government agencies and entities ("Agency Debt") and derivatives related to any of the above.</p>
	Insurance	Dom Inv Grade FI	Dec-13	
	Legacy	Dom Inv Grade FI	Apr-15	

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
EIG Energy (formerly TCW) Renee Davidovits	Pension	Private Equity	Jul-07	TCW Energy Fund XIV-A, L.P. (the "Fund") is a Delaware limited partnership, formed on October 27, 2006 for the purpose of establishing a diversified portfolio of investments in energy and energy-related infrastructure projects and companies on a global basis. The investments will include loans, production payments, net profits interests, royalty interests and other forms of debt and equity securities issued by companies globally with emphasis on operations in the United States, Canada, Western Europe and Australia. The Fund, TCW Energy Fund XIV, L.P., TCW Energy Fund XIV-B, L.P., and TCW Energy Fund XIV (Cayman) L.P., (collectively, "Fund XIV") shall not invest more than 15% of total commitments ("Commitments") in any one issuer and shall not invest more than 25% of Commitments in issuers operated principally outside Organization for Economic Cooperation and Development ("OECD") countries. The Fund shall not invest more than 35% of Commitments in equity securities other than equity securities received in connection with the purchase of mezzanine debt.
Epoch Investment Partners Jeff Ulness	Pension	Global Equity	July-07 Moved from Lg Cap Jan-12	The Epoch Global Choice strategy seeks to produce superior risk adjusted returns by building portfolios of businesses with outstanding risk/reward profiles. The concentrated active, global equity portfolio typically consists of approximately 20-35 securities (generally equities) representing the firm's highest conviction names. The expected annual turnover is generally between 90-130%. The equity portion of the portfolio will invest no more than 10% of the portfolio, at the time of purchase, in any one equity security.
Goldman Sachs (2006 Fund, Fund V) Patrick Byrne	Pension	Below Inv Grade FI	Apr-06	The GS Mezzanine Partners family of funds is the largest mezzanine fund family in the world, with over \$20 billion invested in 100+ companies since 1996. In 2007, Goldman Sachs established its fifth mezzanine fund, GS Mezzanine Partners V, with \$13 billion of leveraged capital. GS Mezzanine Partners seeks large-sized mezzanine investments comprised generally of fixed income securities and an associated equity component. Our focus is on providing "private high yield" capital for mid- to large-sized leveraged and management buyout transactions, recapitalizations, financings, re-financings, acquisitions and restructurings for private equity firms, private family companies and corporate issuers. We target high-quality companies with \$500 million to \$10+ billion of enterprise value; leading market positions; high barriers to entry; well-regarded management teams; and stable, cash generative businesses.
Grosvenor Customized Infrastructure Strategies, LP (formerly Credit Suisse) Andrew Johnson Paul Burraston	Pension Insurance	Infrastructure Real Assets	Dec-11 Dec-11	Established on October 21, 2009, the Customized Infrastructure Strategies LP is a commingled fund focused on providing a comprehensive, diversified solution for investors looking to access the infrastructure asset class. The Fund seeks to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified portfolio of primary core and core plus infrastructure funds (30%), co-investments (40%) and opportunistic secondary fund purchases (30%).

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
Grosvenor Customized Infrastructure Strategies II Andrew Johnson	Pension Legacy	Infrastructure Real Assets	Mar-15 Mar-15	Following the same strategy as our initial commingled multi-manager infrastructure fund, Customized Infrastructure Strategies, L.P. ("CIS I"), the Fund will seek to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified, global portfolio of primarily core and core-plus infrastructure investments. CIS II will target primary fund investments, secondary purchases of investments in funds ("secondaries"), and equity and debt co-investments. Consistent with CIS I's target returns, CIS II will target a net return to its limited partners in excess of 10%1, with a low single-digit cash yield upon full investment of the Fund.
Hearthstone (MSII, MSIII) Mark Porath	Pension	Private Equity	Oct-99	In the Hearthstone-MSII Homebuilding Investors (MS2) and Hearthstone Multi-State Value-Added Fund III ("MS3") funds, Hearthstone, on behalf of the Fund, is authorized to invest exclusively in residential development projects. Residential development projects include residential land development and single-family homebuilding, including the acquisition and conversion of rental properties into condominiums and other forms of single-family housing. MS3 was authorized to invest in the construction and sale of apartment buildings, but no such investments were made. Land development projects typically involve the acquisition, entitlement and development of anywhere from 100 to 1,000 finished residential lots for sale to merchant builders, but may involve the acquisition, permitting and development of other residential land. Single-family homebuilding projects generally involve the construction and sale of approximately 25 to 500 single-family attached or detached homes.
I Squared Capital Andreas Moon	Pension Legacy	Infrastructure Real Assets	June-18 June-18	<p>The Master Funds, the Feeder Funds (through their investment in the Master Funds), and UST Fund II will seek to achieve returns by making equity and equity-related investments in infrastructure and infrastructure-related assets globally, with a focus on North America, Europe, and selected growth economies in Asia and Latin America. The Master Funds and UST Fund II may also invest in debt securities that have equity-like returns or an equity component, or are related to its equity investments, including, without limitation, convertible debt, mezzanine debt, bank loans and participations and other similar instruments.</p> <p>The ISQ Global Infrastructure Funds II expect to use leverage through both investment level financing and by borrowing money with recourse to its assets.</p> <p>The Master Funds and UST Fund II generally intend to invest no more than 20% of aggregate capital commitments (measured at the time of investment) in any single asset. The Master Funds and UST Fund II may exceed the 20% limit up to 25% in the case of a bridged investment if, at the time of such investment, the bridged investment is intended to be repaid, refinanced or sold, within 18 months so as to return sufficient capital to the Master Funds and UST Fund II to bring the investment back within the 20% limit.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
Invesco Asia Fund III Max Swango	Pension	Real Estate	Nov-15	This investment strategy will focus on value added investments with an initial focus on China and Japan, with a secondary focus on Singapore and Hong Kong, in residential, industrial, retail and office properties. Where IRE identifies best value, it will execute the following value added strategies for the Fund: -Provide equity for the development of new real estate product that generates high cash returns and demonstrates mid-term growth opportunities. -Reposition assets or change the use of an asset to maximize its value by identifying highest/best use, curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. -Participating in high growth markets -Adopting higher leverage strategies and exploiting market inefficiencies.
Invesco Core USA LLC Max Swango	Pension Insurance Legacy	Real Estate	Aug-97 Oct-12 April-15	The Fund invests in properties located in the United States, typically requiring an investment of \$10 million or greater. The Fund focuses on quality core real estate opportunities and, in addition, the Fund may invest up to 15% of its assets in "value-added" type real estate investment opportunities. The Fund seeks to provide Investors with returns equal to or greater than the NPI on a 3- and 5-year rolling basis.
Invesco IREF III Value-Add IV Value-Add V Max Swango	Pension Pension Pension	Real Estate	May-12 April-15 Jan-19	The Fund will invest in value-added real estate opportunities. Investments will be made solely in the United States in four specific product types- multifamily, industrial, retail and office properties. Where IRE identifies best values, it will execute the following strategies for the Fund: • Re-capitalization: Invest in properties or portfolios at a favorable basis by acquiring an equity interest and/or debt. • Lease-up: Acquire properties with vacant space or near-term lease rollover exposure, with the opportunity to reposition rent roll and tenancy. • High Yield Debt: Acquire unrated pieces of CMBS debt • Renovation/Retenanting/Repositioning: Reposition assets (an example would be to upgrade an asset from Class B to Class A) or change the use of an asset to maximize its value by curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. • Development: Provide equity commitments/investments for the development of new real estate products that allows for access to new, state-of-the-art products at wholesale pricing.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
InvestAmerica Lewis & Clark L&C II David Schroder	Pension	Private Equity	Feb-02 Jun-09	<p>The investment strategy for Lewis and Clark Private Equities, LP and L&C Private Equities II, LP (the Funds) is to assemble a portfolio of investments in private growth and later-stage companies that have a strong probability of providing high returns without undue volatility and risk to investors. The Funds target for investment middle market growth and later stage companies throughout the United States with existing sales from \$5,000,000 to \$100,000,000. Typically, these small to medium sized companies are seeking to raise \$1,000,000 to \$10,000,000. The Principals of the Funds have demonstrated through the successful investment of previous venture funds, that this market niche has historically delivered high returns with more limited competition for financing. The Funds seek to achieve a minimum of a 25% and in many cases in excess of a 30% internal rate of return on each of its company investments.</p> <p>The Funds diversify their investments by investing in portfolio companies across many industries and geographic locations. Investments will be made across a range of manufacturing, service, distribution and technology companies. Most investments are expected to be in later stage companies with established sales and profitability. Some investments may be opportunistically made in growth stage companies. The investment team has historically invested throughout the United States with offices strategically located in the Midwest and Northwest.</p>
JP Morgan Short Term Bond Fund Jim Sakelaris	Insurance	Short Term FI	Sep-11	The investment objective of the Short Term Bond Fund is to outperform (based on the portfolio's total return, gross of fees) the Barclays Capital 1-3 Year Government/Credit Index (the benchmark) while maintaining total return risk similar to that of the Benchmark as measured over a market cycle.
JP Morgan Income & Growth Fund Jim Sakelaris	Insurance Legacy	Real Estate Real Estate	Nov-05 April-15	<p>J.P. Morgan U.S. Real Estate Income and Growth Fund - The J.P. Morgan U.S. Real Estate Income and Growth Fund seeks to construct and opportunistically manage a portfolio of core direct real estate investments, complemented by other real estate and real estate-related assets. The Fund pursues a broadly diversified absolute-return strategy targeting an 8-10% total annualized IRR (including a current income return of 5-7% per annum and the balance from capital appreciation) net of management fees and expenses, the payment of any Infrastructure Development Fee, if applicable, and the effect of taxes payable by certain of the Fund's Entities.</p> <p>The Fund pursues all property investments on an opportunistic basis. The majority (>50%) of the Fund's investments will be in direct core properties in the office, industrial, retail and residential sectors. In addition to direct real estate, the Fund has the ability to invest in other access points - mezzanine debt, CMBS and REITs - when they provide core real estate cash flows at a better price than owning the property. This helps diversify the portfolio and offer a superior risk reward equation. This dynamic investment approach focuses on relative value and is not constrained by fixed allocation targets or benchmark composition allowing the Investment Advisor the ability to change the Fund's portfolio composition in response to changing market conditions and opportunities.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
JP Morgan Infrastructure Investments Fund Jim Sakelaris	Pension	Infrastructure	May-07	<p>Infrastructure Investments Fund - Launched October 31, 2006, JPMorgan Infrastructure Investments Fund is the only open-ended private commingled infrastructure fund in the U.S. It invests in stabilized assets in OECD countries with selected value-added opportunities, across infrastructure industry sub-sectors, including toll roads, bridges and tunnels; oil and gas pipelines; electricity transmission and distribution facilities; contracted power generation assets; water distribution; waste-water collection and processing; railway lines and rapid rail links; and, seaports and airports.</p> <p>Our open-ended strategy supports a long-term investment horizon as we seek to achieve steady returns over time that are largely cash yield with modest capital appreciation. Our open-end format also aids in our acquisition and disposition process as a long-term outlook is attractive to governments, regulators and operating partners.</p> <p>The Fund seeks to achieve a leveraged portfolio target IRR of 10–12%, net of Fund Expenses. Leverage is targeted at 75% at the fund level. Its diverse client base, includes U.S., European, Asian and Canadian government, union and corporate pension plans, insurance companies, and high net worth individuals.</p> <p>The interaction of multiple currencies is viewed by many investors as another form of diversification. With respect to the JPMorgan Infrastructure Investments Fund ('IIF' or the 'Fund'), the Investment Adviser has the right, but not the obligation, to hedge currency risk at its discretion. Due to clients' differing perspectives on currency, and the complexities/costs of hedging an illiquid portfolio, there currently is no intent to engage in active hedging except as follows: (i) in exceptional cases where we believe the underlying risk is excessive and (ii) where there are known future equity commitments subject to currency risk, including with respect to the acquisition of new assets; this is a strategy that we have utilized for several investments in the existing portfolio. Generally speaking, we believe clients are more concerned with active management of infrastructure assets and strategies than with currency hedging. We understand that many clients prefer to hedge their currency exposures on an individual total portfolio basis. Further, many clients are interested in actively managing their currency exposure to generate alpha. J.P. Morgan has the capability to provide currency hedging (as a separate service outside of the Fund) for those clients that are interested in hedging currency risk and for clients wishing to generate additional alpha (whether the risk is associated with the Fund's portfolio or with other client investments).</p>
	Insurance	Real Assets	Nov-08	
	Legacy	Real Assets	Feb-15	

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
JP Morgan Greater Europe Opportunistic Property Fund Jim Sakelaris	Pension	Real Estate	Sep-20	<p>The JPMorgan Greater Europe Opportunistic Property Fund is a closed-end opportunity fund that offers investors an opportunity to participate in an actively managed portfolio of property investments throughout Europe both in direct assets and select investments in existing property companies. The Fund has the flexibility to invest in a variety of different types of real estate, including, without limitation, office, retail, industrial/warehouse, multi-family, hotel/leisure, parking and self-storage. The Fund aims to provide Investors with a targeted annualized IRR of at least 15% over the life of the fund net of all fees and expenses. The Fund intends to achieve its Target Return by using JPMorgan Asset Management's expertise and market contacts to successfully make use of the following risks: leasing risk; development risk; restructuring risk; liquidity/transparency risk and leverage.</p> <p>J.P. Morgan Asset Management - Global Real Assets believes that opportunities exist in the Target Markets for investors to create value through the development, rehabilitation, repositioning and recapitalization of undervalued real estate and real estate-related assets through the purchase of high quality assets or portfolios of assets from distressed sellers. After a period of rapid capital appreciation and falling risk premium for European real estate assets, partially a result of excess liquidity, the dislocation in capital markets experienced since the end of July 2007 has resulted in a substantial re-pricing of risk, particularly at the higher risk end of the spectrum. More uncertain prospects for occupier markets in some, though not all, countries are likely to continue to impact risk and therefore pricing. In Europe, JPMAM-GRA believes this creates two very distinct but compelling opportunities for the foreseeable future. The first is to capitalize on the opportunity to purchase high quality assets in core Western European markets which will be sold at favorable prices due to the lack of liquidity in the market or where the underlying risk is mispriced. Property owners overleveraged with short duration leverage, developers overexposed to construction and leasing risk, and corporate owners whose balance sheets have come under pressure are all expected to be excellent sources of these buying opportunities.</p> <p>We consider hedging on a deal-by-deal basis when we think it makes sense and is cost-effective. We consult with our foreign exchange desk at J.P. Morgan on a regular basis. At the present time, we believe the British Pound is underpriced relative to the Euro on a long-term historical basis and, therefore, we are currently not hedging the Pound position (at least with respect with the net equity, leverage acts as a natural hedge against 65% of the GAV since the debt on UK transactions is also denominated in Pounds). The Greater Europe Opportunistic Property Fund is Euro-denominated and thus reflects periodic currency movements in addition to property valuation changes.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
JP Morgan Strategic and Special Situations Property Funds Jim Sakelaris	Pension	Real Estate	Oct-90	<p>Strategic Property Fund is an actively managed diversified, core, open-end commingled pension trust fund. It seeks an income-driven rate of return of 100 basis points over the NCREIF Property Index over a full market cycle (three-to-five-year horizon) through asset, geographic and sector selection and active asset management. The Fund invests in high-quality stabilized assets with dominant competitive characteristics in markets with attractive demographics throughout the United States.</p> <p>Following a core strategy, Strategic Property Fund focuses primarily on existing high-quality, well-leased assets in the four major property types: office, industrial, multi-family and retail. Strategic Property Fund focuses on the larger primary economic markets.</p> <p>Each sector is well leased with modest lease expiration exposure of approximately 10% per annum over the next five years. Due to the broad diversification in the Fund's investments, no individual properties or tenancies have the capacity to materially affect the Fund's performance.</p> <p>Special Situation Property Fund is an actively managed, value-added, open-ended commingled trust fund. It seeks an increased total return with a moderate-to-high risk level, as reflected in the potential volatility of both income and property values. Our investment philosophy for Special Situation Property Fund is based on our belief that consistently excellent investment results can be achieved by focusing on value-added investment opportunities while maintaining an optimum leverage ratio. The investment process is designed to continuously add value throughout the acquisition, ownership and disposition of an asset.</p> <p>Following a value-added strategy, Special Situation Property Fund focuses primarily on value-added real estate opportunities in the following major property types: office, industrial, hotel, retail and multi-family. The Fund does not attempt to match the geographic and property type diversification of the benchmark, but does maintain guidelines in order to limit over-or underweighting in regards to the NCREIF's property type and geographic guidelines. Our assets are generally located in major markets across the country (i.e., Washington D.C. and surrounding areas, Los Angeles, San Francisco, Atlanta, Chicago, Denver and Northern New Jersey).</p> <p>The Fund invests in a wide variety of value-added real estate opportunities, including but not limited to, improved properties that have significant appreciation potential through lease up, new development, redevelopment, repositioning and re-merchandising situations. The Fund may also acquire vacant land to be held for future development or appreciation. Development, renovation and property repositioning are important aspects of our value-added strategy.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
LA Capital Enhanced	Pension	Dom Lg Cap Equity	Aug-00	<p>A large core portfolio benchmarked to the Russell 1000 Index. This we would characterize as more of an enhanced index assignment where the objective is to track the benchmark with lower variability. This mandate is targeting a 1% annual alpha with a risk budget of 3%. The pension portfolio began in July of 2000 and the insurance portfolio was initiated in April of 2004. In October of 2006 we received approval from you to allocate a portion of each of these core accounts into the Large Cap Alpha Fund which we were launching at that time. A small portion of the portfolio has as a result been allocated to that product. The benchmark for this fund is the S&P500 which is very similar to the Russell 1000 Index. The objective here has been to outperform the benchmark by 5% while allowing for a risk budget as high as 7%. The intent here was to add incremental alpha to the assignment given that the information ratio was expected to be higher. The overall objectives have been met since this was initiated.</p> <p>Investment Philosophy</p> <p>All of our applications are driven by our Dynamic Alpha Model which is a quantitative process based upon understanding how specific factors are behaving in the market. We believe that investment results are driven by Investor Preferences which simply put, highlight which factors investors like or dislike at any point in time. We have developed sophisticated attribution tools which allow us to measure how the different factors are performing. While there is a significant amount of persistence, i.e. factors will move in one direction for sometimes an extended period of time, they will change at some point. Investors are not static in the views and one needs to recognize that when preferences shift a different posture related to that factor is warranted.</p> <p>Consequently we are not static and we are dynamic. In turbulent markets it is important to be able to understand how investor preferences change. In the last year there have been dramatic shifts in investor attitudes about risk factors and we feel our ability to perform during this period has been directly related to our ability to adapt.</p>
	Insurance	Dom Lg Cap Equity	Apr-04	
Tom Stevens	Legacy	Dom Lg Cap Equity	May-15	

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
LA Capital Structured (Russell 1000 Growth)	Pension	Dom Lg Cap Equity	Jun-98	<p>A large growth portfolio benchmarked to the Russell 1000 Growth Index. It is an active assignment meaning that we are targeting a 2% alpha and constraining our risk budget (tracking error) to 4% relative to the benchmark.</p> <p>Investment Philosophy All of our applications are driven by our Dynamic Alpha Model which is a quantitative process based upon understanding how specific factors are behaving in the market. We believe that investment results are driven by Investor Preferences which simply put, highlight which factors investors like or dislike at any point in time. We have developed sophisticated attribution tools which allow us to measure how the different factors are performing. While there is a significant amount of persistence, i.e. factors will move in one direction for sometimes an extended period of time, they will change at some point. Investors are not static in the views and one needs to recognize that when preferences shift a different posture related to that factor is warranted.</p> <p>Consequently we are not static and we are dynamic. In turbulent markets it is important to be able to understand how investor preferences change. In the last year there have been dramatic shifts in investor attitudes about risk factors and we feel our ability to perform during this period has been directly related to our ability to adapt.</p>
Tom Stevens	Insurance	Dom Lg Cap Equity	Aug-03	
	Legacy	Dom Lg Cap Equity	May-15	
Loomis Sayles	Pension	Below Inv Grade FI	Apr-04	<p>The High Yield Full Discretion Strategy seeks to exploit the collaborative efforts of our economics group and Sector Teams in conjunction with the fundamental credit analysis from our Fixed Income Research Department. Our economics group and yield curve teams provide a global economic and interest rate framework for identifying sectors that we think are attractive. Our research department, along with the Sector Teams, seeks to identify specific investment opportunities primarily within the global fixed income market. Asset class and sector allocations reflect the macroeconomic view, while security selection based on fundamental and relative value analysis within sectors provides our primary source of excess return. Portfolio guidelines are broad and offer the portfolio management team significant investment flexibility. Experienced portfolio managers collaborate with our in-house credit analysts to identify attractive total rate of return investment opportunities in the global fixed income market. Portfolio managers incorporate the long-term macroeconomic view along with a stringent bottom-up investment evaluation process that drives security selection and resulting sector allocations. Opportunistic investments in non-benchmark sectors including investment grade corporate, emerging market, and non-US dollar debt and convertible bonds help to manage overall portfolio risk and enhance total return potential. The product's portfolio managers are responsible for strategy implementation, portfolio construction, and adherence to guidelines. This rigorous investment process results in portfolios that, we believe, are well diversified and expected to generate superior long-term investment performance when compared to the Barclays Capital High Yield Index.</p>
Stephanie Lord				

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
LSV Int'l Equity	Insurance	Int'l Equity	Nov-04	The objective of our International Large Cap Value strategy is to outperform the MSCI EAFE Index (50% Hedged) by at least 250 basis points (gross of fees) per annum over an annualized 3-5 year period with a tracking error of approximately 5-6%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 150 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). LSV weights countries at a neutral weight relative to the benchmark country weights. Initial positions must be in stocks with a market capitalization above \$500 million. 50% of the portfolio is US dollar hedged.
James Owens, Jr.	Legacy	Int'l Equity	Feb-15	
LSV Large Cap	Insurance	Dom Lg Cap Equity	Jun-98	The objective of our Large Cap Value Equity (U.S.) strategy is to outperform the Russell 1000 Value by at least 200 basis points (gross of fees) per annum over a 3-5 year period with a tracking error of approximately 4%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 100 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). Initial positions must be in stocks with a market capitalization above \$500 million.
James Owens, Jr.	Legacy	Dom Lg Cap Equity	May-15	
LSV Global Equity	Pension	Global Equity	Feb-13	The objective of the Global ACWI strategy is to outperform the unhedged total rate of return, net of dividend withholding taxes of the benchmark by at least 200 basis points (gross of fees) per annum. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 125 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across countries and industry groups. Initial positions must be in stocks with a market capitalization above \$400 million.
James Owens, Jr.				
Macquarie Infrastructure Partners IV	Pension	Infrastructure	Dec-18	<p>MIP IV's target net IRR is 10-12% with an average annual target gross yield of 4-6%.</p> <p>Diversified Portfolio: Investing predominantly in US and Canada; expected portfolio of 7-10 infrastructure assets diversified by sub-sector and revenue model; investing predominantly via equity and equity-like securities.</p> <p>Target Sectors: Utilities & Energy; Transportation; Communications Infrastructure; Waste Management</p> <p>Growth & Value Focus: focus on execution of business plans, capital projects and operational efficiencies; mitigate key risks over holding period; identify relative value in capital structure.</p> <p>Appropriate Leverage: Produce stable and predictable return profile; reduce project risk and enhance downside protection; opportunity for greater portfolio yield.</p>
Andrew Killian	Legacy	Real Assets		

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
Matlin Patterson (Fund II & III)	Pension	Private Equity	Sep-04	Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors. Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors.
NTAM (Northern Trust Asset Management) Enhanced S&P 500 Tamara Doi Beck	Pension	Dom Lg Cap Equity	Aug-00	The Investment Manager will use an investment approach primarily based on quantitative investment techniques. The principal source of value added is the stock selection process. Relative attractiveness is assessed using a proprietary multiple factor model. Attractive securities are over weighted relative to the Index while unattractive securities are under weighted, or excluded entirely. The account will invest primarily in a broadly diversified portfolio of equity securities. Equity securities include securities convertible into equity securities (including common stock), warrants, rights and units or shares in trusts, exchange traded funds and investment companies. The account may invest and reinvest in long or short positions in any of the instruments. The Investment Manager may purchase or sell futures and exchange traded and over-the-counter options on the Index or on a similarly broad index. The Investment Manager intends to use futures and options to manage market risk associated with the account's investments by selling futures on a stock index which correlates in price movement with a portion of the account to hedge against a potential decline in the prices of the securities comprising that portion of the account and, conversely, by purchasing futures on a stock index which correlates in price movement to a group of stocks which the account anticipates purchasing, to hedge against an increase in the value of such stocks. A portion of the cash in the account may be deposited with a broker as margin on futures or options transactions, to be invested on behalf of the account in obligations issued or guaranteed by the US Government or other appropriate short-term investments. To meet liquidity needs, the Investment Manager may also invest in short term cash investments, including shares of money market portfolios, which may be registered investment companies for which the Investment Manager or an affiliate serves as custodian or investment advisor.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
NTAM (Northern Trust Asset Management) World Ex-US Tamara Doi Beck	Pension	International Equity	Dec-13	The Fund will be maintained by the Trustee with the objective of providing investment results that replicate the overall performance of the MSCI® Emerging Markets Equity Index (the "Index"). The Trustee will attempt to meet the Fund's investment objective by including the common stocks of one or more companies included in the Index, on the sole basis of computer-generated statistical data, deems representative of the industry diversification of the entire Index. The Fund will be invested primarily in equity securities of business enterprises organized and domiciled outside of the United States ("U.S.") or for which the principal trading market is outside the U.S. In the Fund, and where applicable with respect to the Fund, the Trustee will employ statistical methods to select securities which comprise or will comprise the Index without necessarily buying all the relevant Index equities. Such securities will be selected, acquired, held and liquidated solely on the basis of such methods and not on the basis of any economic, financial, market timing, or other analysis. Securities purchased for the Fund will generally, but not necessarily, be traded on a foreign securities exchange. The Trustee may, in its discretion, purchase or sell depositary receipts. The Fund will be rebalanced from time to time in order to minimize the expected or predicted deviation between the performance of the Fund and the performance of the relevant Index or to reflect changes in the composition of the Index.
PIMCO Bravo II Ed Sasinowski	Pension Insurance	Residential & Commercial Debt	Oct-13 Oct-13	To seek to capitalize on the perceived market opportunity and achieve its Target Return, the Fund will have broad discretion to invest principally in (or otherwise gain exposure to) U.S. and non-U.S.: (i) performing, underperforming or non-performing loans and other assets that have historically been securitized and/or otherwise traditionally held by financial institutions (as well as participations and other interests therein), including commercial and residential mortgage loans (each of which may convert to real estate holdings), consumer loans (such as credit card receivables, automobile loans and student loans) and/or servicing or similar rights relating to such loans and other assets; (ii) structured products, securitizations and other asset backed securities ("ABS") backed by assets of any type (whether U.S. or non-U.S. based collateral), including non-agency residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS" and, together with RMBS, "MBS"), collateralized debt obligations ("CDOs"), collateralized loan obligations ("CLOs") and repackaged securities (collectively, "Structured Investments"), including Structured Investments managed by PIMCO or an affiliate thereof; (iii) residential and commercial real estate; and/or (iv) investments in equity securities, equity-linked securities and/or debt instruments (including loans) of operating companies and other entities (whether stressed, distressed or otherwise on an opportunistic basis), including banks and other financial institutions, specialty finance entities, and other opportunities.
PIMCO Distressed Senior Credit Opportunities (DiSCO) Fund II Ed Sasinowski	Pension Insurance	Dom Inv Grade FI Fixed Income	Oct-11 Oct-11	The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
PIMCO Core Plus Constrained Ed Sasinowski	Pension Insurance	Dom Inv Grade FI Fixed Income	Feb-18 May-19	<p>The Core Plus Constrained investment is a diversified portfolio of high quality bonds that is actively managed to maximize returns in a risk-controlled framework.</p> <p>The portfolio emphasizes higher-quality, intermediate-term bonds and aims to avoid concentration risk by being more globally diversified than many core bond funds. It also has considerable flexibility to respond to changing economic conditions, helping to manage risk and increase total return potential. :</p> <p>The portfolio aims to provide investors with a combination of income and capital appreciation potential. It is guided by a forward-looking, risk focused philosophy that aims to identify risk early while also being positioned to capture attractive returns.</p>
Prudential Core Plus Peter Taggart Steve Ahrens	Insurance Legacy	Fixed Income Fixed Income	Aug-06 April-15	<p>The core plus fixed income account is a multi-sector strategy with alpha objective of +150 basis points versus the Barclays Aggregate Index over a full market cycle. The strategy is diversified across a broad range of fixed income sectors, including Treasuries, agencies, mortgage-backed securities, structured product (asset-backed securities, commercial mortgage-backed securities), investment grade corporate bonds, high yield bonds, bank loans and international debt. The primary sources of excess return are sector allocation and security selection, with duration and yield curve less of a focus.</p>
Prudential Core Peter Taggart Steve Ahrens	Pension	Fixed Income	Feb-18	<p>PGIM Fixed Income's Core Fixed Income Strategy is an actively managed, multi-sector, investment grade fixed income strategy that typically seeks +60 bps annualized gross excess return over the Bloomberg Barclays U.S. Aggregate Bond Index or similar broad market benchmark over a full market cycle (three to five years). The Strategy emphasizes relative-value based sector allocation, research-based security selection, and modest duration and yield curve positioning.</p>
Quantum Energy Partners Michael Dalton	Pension	Private Equity	Oct-06	<p>Founded in 1998, Quantum Energy Partners is a leading provider of private equity to the global energy industry. With more than \$5.7 billion in assets under management, Quantum targets investment opportunities between \$100 and \$400 million with proven management teams that possess a clear vision and whose companies have sustainable competitive advantages within well-defined segments of or strategies in the energy industry. Quantum primarily focuses on the oil and gas upstream, midstream and power sectors, but will consider opportunities across the entire energy industry.</p>
Riverbridge Partners Tim Wilkinson	Pension Legacy Insurance	Small Cap Equity Small Cap Equity Small Cap Equity	10/1/2020 10/1/2020 10/1/2020	<p>Riverbridge invests in high-quality growth companies that possess the ability to build their earnings power at above-average rates for long periods of time. They define earnings power as companies achieving high returns on invested capital while possessing an enduring strategic advantage in their marketplace. They build portfolios by identifying and buying well-managed companies we believe can maintain consistent unit growth and strong free cash flow, allowing them to finance their growth using internally generated sources of capital. Riverbridge's investment strategy bridges human insight with data analysis to identify companies that demonstrate the building blocks of our philosophy.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
<p>Rohatyn Group - JP Morgan Asian Infrastructure & Related Resources Opportunity Fund</p> <p>Michael DeAngelo</p>	Pension	Infrastructure	<p>JPM Aug-08 to May-18</p> <p>Transferred Mgmt to Rohatyn May-18</p>	<p>The JPMorgan Asian Infrastructure & Related Resources Opportunity ("AIRRO") Fund seeks to invest in infrastructure and related resources opportunities across the greater Asia Pacific region. The Fund seeks to invest in a broad range of assets, including (but not exhaustive): core infrastructure such as transportation, power both from conventional and renewable sources, communications, water and waste-water, public works, urban development and other "social" infrastructure assets (i.e. hospitals, schools, government centers) and related resources such as energy, raw materials, natural resources, construction and construction-related materials and real estate (that are part of or associated with any of the installation and operation of infrastructure).</p> <p>The Fund will seek an internal rate of return in excess of 19% (net of Incentive Allocation and Fund Expenses and any Taxation that is payable by the Fund, but exclusive of any Taxation payable by Investors with respect to distributions), assuming a constant exchange rate during the term of the Fund between the USD and the currencies in the countries where the Fund's Investments are located. The Investment Adviser will have the right, but not the obligation, to hedge currency risk at its discretion, however there currently is no intent to engage in active hedging except as follows: (i) in exceptional cases where we believe the underlying risk is excessive and (ii) where there are known future equity commitments subject to currency risk, including with respect to the acquisition of new assets. The Fund team's view of infrastructure, in the Asian context, takes a holistic approach, encompassing not only core infrastructure but also the raw material and construction-related stages of infrastructure and those companies needed "to make infrastructure happen". By focusing on both infrastructure and related resources, the Investment Adviser has developed a strategy which seeks to capitalize on the entire opportunity presented by the large forecasted growth and required investment in Asian infrastructure.</p> <p>The Fund monitors its currency exposure on a regular basis taking account of the outlook for any currencies in which AIRRO is invested. At this time, AIRRO does not anticipate hedging its currency exposure in the near-term. Based on consensus forecasts prepared by Bloomberg, analysts expect Asian currencies to strengthen versus the USD over the medium-term. AIRRO's entry cost (based on average weighted rates) for its investments are 47.68 INR/USD for SevenHills and 7.76 HKD/USD for Scitus (6.93 RMB/USD for Scitus' corresponding investments onshore). We anticipate these positions to strengthen in the favor of AIRRO by exit (estimated to be 2013 for each investment). AIRRO will continue to monitor movements in Asian currencies and review its hedging strategy accordingly.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Opened	Description
SEI Investments Mark Morgan	PERS Retiree Health	Multiple	Jul-09	<p>Fixed Income Strategy - A diversified set of lowly correlated alpha sources increase confidence in consistent excess return -Combination of managers with a broad opportunity sets inclusive of government, credit and structured securities</p> <p>-Derivatives provide an efficient means of strategy implementation</p> <p>-Managers have the ability to utilize derivatives to manage duration, yield curve, sector and security strategies to enhance return or reduce risk</p> <p>Emerging Markets Debt Strategy - Specialist Emerging Market Debt Managers and seasoned investment teams with complementary investment philosophies that invest broad opportunity sets inclusive of tactical allocations to external debt, local debt, local currency, and corporate debt.</p> <p>High Yield Strategy - Diversified group of managers with deep and experienced credit resources whose outperformance will be generated from both Sector/Industry and Selection decisions. The differentiation between managers is not on the alpha source they are seeking to exploit, but rather on the credit philosophy and process. Broad opportunity sets primarily in fixed income securities rated below investment grade, including corporate bonds. May also invest in bank loans, convertible and preferred securities, zero coupon obligations and credit derivatives. Given the illiquidity of the high yield market, managers also have the ability to utilize the credit default swap market for enhancing return or reducing risk.</p> <p>Small Cap Strategy - Utilizing multiple SEI Portfolio sub-advisors, the SEI Portfolio invests in common stocks and other equity securities with the goal of providing capital appreciation.</p> <p>World Equity ex-US Strategy - Utilizing multiple SEI portfolio sub-advisors, the SEI portfolio invests in equity securities of foreign companies, including those in emerging market countries with the goal of capital appreciation. These securities may include common stocks, preferred stocks, warrants, exchange-traded funds based on an international equity index and derivative instruments whose value is based on an underlying equity security or basket of equity securities. The SEI portfolio is diversified as to issuers, market capitalization, industry and country. Certain SEI portfolio sub-advisors use strategies that are designed to correlate with a portfolio of international equity securities, but which are composed of derivative instruments backed by other types of securities.</p> <p>Large Cap Equity Strategy - A Russell 1000 index fund.</p>
SEI Investments Mark Morgan	Job Service	Multiple	Dec-16	<p>The Fund uses a multi-manager approach to portfolio construction that seeks to generate excess returns (i.e., returns in excess of benchmark) and at the same time provide diversification by avoiding over- concentration in a single investment style, sector or market trend. SEI analysis seeks to identify each manager's competitive advantage and characteristics of that advantage that can be monitored on an ongoing basis. Asset allocation to a given manager is based on the manager's skill set, the current macro economic environment, and the risks inherent in each manager's strategy.</p>
Sixth Street Partners	Pension Legacy	Private Credit Private Credit	Sept-20 Sept-20	<p>Sixth Street Partners is a multi-asset class platform dedicated to pursuing special situations, middle market lending, and credit oriented adjacent opportunities on a global basis. The TSSP Adjacent Opportunities fund is designed to flexibly allocate across multiple sub stratgies within credit and special situations and generate attractive risk adjusted returns at each point in the credit cycle. The portfolio is weighed towards defensive yield investments which generate cash yield and are generally uncorrelated to financial markets.</p>

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State Street Global Advisors Joe Cadigan	Pension	Dom Inv Grade FI	Jun-13	This is a commingled index fund that seeks to replicate the risk and return characteristics of the Barclays Long Treasury Bond Index.
State Street Global Advisors Joe Cadigan	Insurance Legacy	Fixed Income Fixed Income	June-13 April-15	This is a commingled index fund that seeks to replicate the risk and return characteristics of the Barclays Government/Credit Bond Index.
State Street Global Advisors Joe Cadigan	Tobacco	Short Term Fixed Income	Oct-15	<p>The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The Strategy will not necessarily own all of the securities included in the Index.</p> <p>The Strategy may attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. However, due to the diverse composition of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the Strategy to purchase some of the securities comprising the Index. In such a case, SSgA will select securities for the Strategy comprising a portfolio that SSgA expects will provide a return comparable to that of the Index.</p> <p>SSgA expects that it will typically seek to replicate index returns for the Portfolio through investments in the "cash" markets - actual holdings of debt securities and other instruments - rather than through "notional" or "synthetic" positions achieved through the use of derivatives, such as futures contracts or swap transactions (except in the unusual case where SSgA believes that use of derivatives is necessary to achieve an exposure that is not readily available through the cash markets).</p> <p>Benchmark Barclays U.S. 1-3 Year Treasury Bond Index</p>
TIR-Timberland Investment Resources Tom Johnson	Pension	Timber	Jun-01 Sept-04	<p>Teredo Timber LLC - The investment objective of Teredo is to provide competitive investment returns from increasing saw timber production through the 20 year term of the partnership. TIR's management strategy is to maximize saw timber volume by applying intensive forest management techniques which accelerate growth through the diameter class distribution (from pulpwood to saw timber). Periodic cash flows are produced from thinning and final harvests of the individual timber stands.</p> <p>Springbank LLC - The investment objective of Springbank is to maximize long-term investment potential. TIR will implement four key strategies to attain the objective:</p> <ul style="list-style-type: none"> • Formation of a dedicated land management group; • Intensive timber management to increase timber production; • Coordination of timber harvesting with land management activities; • Direct marketing and selective real estate partnerships.

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Investment Manager	Trust	Asset Class	Opened	Description
TIR-Timberland Investment Resources Tom Johnson	Insurance	Real Assets	Oct-08	Eastern Timberland Opportunities Fund - The investment objective of the Eastern Timberland Opportunities fund is to provide competitive timberland investment returns from Eastern US timberland investments by pursuing management strategies to increase timber production and land values through the investment term. TIR will maximize timber values within the portfolio with the application of intensive forest management techniques to accelerate the growth in timber volume and movement into higher value product categories. Additional value will be captured by realizing higher and better use opportunities for select timberland properties throughout the portfolio.
Vanguard Group Mark Miller	Insurance Legacy	Int'l Equity Int'l Equity	June-03 Feb-15	Vanguard International Explorer Fund seeks to provide long-term capital appreciation. The fund invests primarily in the equity securities of small-capitalization companies located outside the United States that the advisor believes offer the potential for capital appreciation. In doing so, the advisor considers, among other things, whether a company is likely to have above-average earnings growth, whether the company's securities are attractively valued, and whether the company has any proprietary advantages.
Victory Capital Management Daniel Dy	Insurance Legacy Pension	Small Cap Equity Small Cap Equity Small Cap Equity	Oct-20 Oct-20 Oct-20	VCM's Sycamore Small Cap Value strategy was inceptioned in 1983. The team consists of 12 investment professionals including CIO and lead portfolio manager Gary Miller, who has been with the firm for 32 years. Gary has been lead portfolio manager on the strategy since 2004. The strategy focuses on identifying high quality small cap companies at an attractive value through bottom up research.
Wellington Trust Company Mike Marino	Pension	Developed Int'l Equity	Mar-02	Securities lending is the temporary loan of a security from an institutional investor's portfolio to a broker/dealer or dealer bank to support that firm's trading activities. These trading activities include short selling, selling on margin or the satisfaction of some other type of transaction. Loaned securities are generally collateralized, reducing the lender's credit exposure to the borrower. Except for the right to vote proxies, the lender retains entitlement to all the benefits of owning the original securities, including the receipt of dividends and interest. Additionally, the lender receives a fee for the use of the securities and can reinvest the collateral. The lender, however, bears the market risk of the loaned securities. This is due to the borrower being obligated to ultimately return the securities, not the original market value of the securities, at the time the loan was made. Lendable securities include U.S. government and agency bonds, U.S. and foreign equities, U.S. corporate and Eurobonds, foreign government bonds, asset backed and mortgage backed securities. The International Small Cap Opportunities investment approach is bottom-up focused, and leverages the global research resources at Wellington Management. In implementing purchase decisions, consideration is given to the size, liquidity, and volatility of these prospects. Sell decisions are based on changing fundamentals or valuations, or on finding better opportunities elsewhere. The assets are not hedged.

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Investment Manager	Trust	Asset Class	Opened	Description
Wells Capital Management	Insurance	Fixed Income	Apr-02	The Medium Quality Credit fixed income strategy is designed to maximize total return from the high-grade corporate bond market while maintaining a strategic allocation to the BBB portion of the high yield market. Credit research is a primary driver of our results; however, our process starts with a "top-down" strategy to guide decision-making. Security selection is determined by in-depth credit research. We believe in-depth knowledge of industries, companies, and their management teams enable us to identify credit trends that can lead to investment opportunities. In conjunction with performing rigorous fundamental research, we also apply a disciplined relative value framework which helps us determine the optimal position to invest within an industry and within an individual issuer's capital structure.
Tom O'Malley	Legacy	Fixed Income	April-15	
Western Asset	Insurance	Fixed Income	Dec-93	A portfolio using all major fixed-income sectors with a bias towards non-Treasuries, especially corporate, mortgage-backed and asset-backed securities. Value can be added through sector rotation, issue selection, duration and term structure weighting.
Frances Coombes	Legacy	Fixed Income	April-15	
Western Asset	Insurance	Real Assets	Nov-18	Mandate changed from Global TIPS to US TIPS in November 2018. (minimum 90% in USD securities)
Frances Coombes	Legacy	Real Assets	Nov-18	The target performance objective of Western's US Treasury Inflation Note strategy is to generate 40 bps per year in excess return above the US Treasury Inflation Note index over a full market cycle. The ex-ante tracking error is 80 bps per year.
William Blair	Pension	Developed Int'l Equity		<p>William Blair invests in a growth-oriented, diversified portfolio that will typically hold between 40-70 securities. The firm's investment philosophy is to focus on companies with above-average growth prospects where growth can be sustained through leading or franchise positions in terms of proprietary products, marketing dominance, or cost/asset base advantage. Portfolio candidates typically have above-average prospective growth, evidence of sustainability of future growth, above-average profitability and reinvestment of internal capital, and conservative capital structure relative to sector norms.</p> <p>The portfolio will be diversified by region and country and may invest up to 2X the MSCI ACWI ex-US IMI Index weighting in Emerging Markets securities. In addition, the portfolio will be diversified by sector with no individual sector representing over 35.0% based upon market value. The maximum allocation to any one security is 5.0% of the portfolio (at market value) and notwithstanding this limitation, no immediate liquidation of investments shall be required solely due to changed in market value.</p>
Steve Weeks	Insurance	International Equity		
	Legacy	International Equity		

North Dakota State Investment Board Managers - Closed

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>AllianceBernstein/ Clifton</p> <p>Liz Smith</p>	Pension	Lg Cap Dom Equity	Jun-09 to Oct-10 Capital Returned	<p>The AllianceBernstein Term Asset-Backed Securities Loan Facility ("TALF") Opportunities Fund is a bottom-up research driven investment strategy structured to take advantage of the opportunity extended to investors through the TALF. The strategy will primarily draw its research from the AllianceBernstein Special Situations Group, which, among other asset classes, covers secured credit sensitive securities (e.g., ABS), as well as non-credit sensitive prime residential mortgage securities. For credit sensitive securities, credit research is overlaid on structural analyses to develop a complete picture of expected loss content, resiliency of cash flows, risk and return. All holdings are closely followed within our proprietary database which contains a time series of investment credit metrics, repayment rates, cohort, and originator statistics.</p> <p>The TALF Opportunities Fund will invest in a concentrated leveraged portfolio of structured asset securities that are eligible for non-recourse lending from the NY Fed TALF. The Fund's goal is to generate high risk-adjusted returns created by the dislocations in asset-backed and other securitization markets. The Fund will invest in AAA/Aaa-rated asset-backed securities as well as other TALF-eligible securities defined by the NY Fed. The TALF program limits the investment universe to US dollar-denominated securities whose underlying collateral is primarily based in the United States. Owing to the high credit quality of the underlying investments, we expect the majority of the Fund's return to be generated by the income in excess of the TALF loans' fees and interest.</p> <p>The Clifton Group is charged with applying the S&P 500 "beta" exposure for the AllianceBernstein "alpha" exposure. The overall goal of the account is to get the return of the S&P 500 index plus an additional alpha amount provided by the TALF fund.</p>
<p>Babson Capital Management</p> <p>Chad Streaan</p>	Legacy	Short Term Fixed Inc	Sep-11 to Feb-15 Change of asset allocation	Babson was hired to manage the Bank Loans in the former Prudential account. Their direction is to manage and supervise the deliberate liquidation, over time of these holdings. As securities mature or are sold off the proceeds will be transferred to the Active Short Duration Strategy.
<p>Babson Capital Management</p> <p>Chad Streaan</p>	Insurance	Short Term Fixed Inc	Sep-11 to Apr-17 Terminated	<p>The investment objective of the Babson Capital's Active Short Duration Strategy is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals driven by client activity. The portfolio seeks to achieve a high total rate of return primarily from current income while minimizing fluctuations in capital values by investing in a well-diversified portfolio of US Government, mortgage-backed, asset backed securities and corporate bonds.</p> <p>The investment team uses proprietary research to conduct value-driven sector rotation and intensive credit and structure analysis, while utilizing a dynamic yield curve management process, to construct effective portfolios. In addition to income, primary goals for the Active Short Duration strategy are stability and liquidity. In meeting these goals, risk is measured by perceived or actual changes in credit worthiness, adequate diversification and exposure to potential changes in interest rates. Babson Capital explicitly manages the portfolio to minimize these risks and endeavors to add value through security selection and portfolio duration structure designed to maximize the risk-return characteristics of the yield curve.</p>
<p>Bank of North Dakota</p> <p>Tim Porter</p>	<p>Pension</p> <p>Insurance</p>	<p>Dom Inv Grade FI</p> <p>Fixed Income</p>	<p>Apr-91 to Apr-12 Changed mandate to long treasury</p> <p>Dec-93 to Apr-13 Terminated</p>	The Bank of North Dakota (BND) manages this fixed income portfolio for the State Investment Board with a passive management style designed to replicate the Barclay's Government/Corporate Bond Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). The portfolio is rebalanced monthly in order to achieve an annualized time-weighted rate of return that matches the Barclay's Gov/Corp Bond Index with a tracking error not more than (+ or -) 30 basis points.

North Dakota State Investment Board Managers - Closed

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Bank of North Dakota Tim Porter	Pension	Dom Inv Grade FI	Apr-12 to Apr-13 Terminated	The Bank of North Dakota (BND) manages this fixed income portfolio for the State Investment Board with a passive management style designed to replicate the Barclay's Long Treasury Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). The portfolio is rebalanced monthly in order to achieve an annualized time-weighted rate of return that matches the Barclay's Gov/Corp Bond Index with a tracking error not more than (+ or -) 30 basis points.
Blackfriars Asset Management (WestAM) Hugh Hunter	Pension	Emerging Markets Equity	Mar-06 to Jun-12 Terminated	<p>Blackfriars Asset Management Limited has been appointed by North Dakota State Investment Board to manage a Global Emerging Market Equity portfolio. The fund is invested in the WestAM Group Trust.</p> <p>Blackfriars strategy is that of a core, active manager with the objective of outperforming the MSCI Emerging Markets index by 2% over rolling three year periods. Our investment approach is team-based and focuses on capturing alpha from our top-down and bottom-up decisions. Our country allocation process is primarily driven by a factor model encompassing fundamental market and economic factors, whilst stock selection is driven by fundamental research by our internal team of analysts.</p> <p>Blackfriars Asset Management, at the time of appointment, was called WestLB Asset Management which was owned by WestLB AG, a German bank. Following the creation of a 50:50 joint venture with BNY Mellon in 2006, the company became fully owned by BNY Mellon on 31 December 2008 and changed its name to Blackfriars Asset Management Limited. The investment process and investment personnel involved in the management of the portfolio have not changed as a result of the change in ownership.</p>
Brandywine Asset Management Lisa Welch	Pension	Int'l Fixed Income	May-03 to Feb-18 Terminated	<p>Brandywine's Global Fixed Income investment style is a disciplined, active, value-driven, strategic approach. Their investment strategy concentrates on top-down analysis of macro-economic conditions in order to determine where the most attractive valuations exist. Specifically, they invest in bonds with the highest real yields globally. They manage currency to protect principal and increase returns, patiently rotate among countries and attempt to control risk by purchasing undervalued securities.</p> <p>They believe their approach is ideally suited to the asset class, as each country, and sector exhibit unique valuation parameters. They believe that a client's portfolio should be invested in markets with, what they believe, demonstrate above-average value. Value is defined as a combination of above-average real interest rates and an under-valued currency. They typically concentrate investments where existing economic and market conditions may enable that value to be realized in an intermediate time frame. Their research has identified global fixed income as an opportunity class wherein active strategies have the most potential for reward and passive, index-replicating strategies are fundamentally insufficient and add an unnecessary level of risk to the portfolio management process. Country-by-country return dispersion (and, therefore, opportunity) across developed country bond markets is remarkable, and if capitalized upon as part of an actively managed process, can potentially provide significant excess return (alpha) above the benchmark. They seek to capture those excess returns through strategic investment in countries, currencies, sectors and securities, rather than by maintaining minimum, core commitments, reflective of the benchmark.</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Brookfield Investment Management (Hyperion) Richard Torykian	Insurance	Fixed Income	Jan-07 to Mar-10 Terminated Acct taken over by Declaration	<p>The Enhanced MBS investment process begins with a macro-economic assessment of the market. Included in the macro-economic assessment is the analysis of: the interest rate environment, the phase of the real estate cycle, consumer credit trends, recently released or pending economic data, supply and demand relationships, housing prices, and the Mortgage Refinancing Index. The analysis and review that occurs at this stage provides the groundwork for establishing the asset allocation for our Enhanced MBS Investment Strategy. We then conduct a detailed review of the MBS sub-sectors. We evaluate developments in each sector; current offerings; recent transactions and market clearing levels; security types and yield spread levels to formulate a relative value outlook. Our research analysts provide fundamental analysis on prepayment speeds, borrower credit exposure, geographic diversification, refinancing trends, and the correlation of returns. We then further analyze the risks of the various MBS sectors—specifically, the outlook for delinquencies, housing affordability, consumer debt, collateral value appreciation, and loss severities. These factors build a larger picture for the appropriate asset allocation for this strategy. The asset mix for our Enhanced MBS Investment Strategy is a ratio that may change over time, as opportunities in the sectors and sub-sectors are identified. Once the initial allocation mix has been determined, the investment process moves to the security selection phase.</p> <p>The most important component of our Enhanced MBS Investment Strategy is security selection. In short, while the market for non-Agency MBS may seem generic, the credit performance from one issue to another varies. Our security selection process results from both quantitative and qualitative inputs, as well as the substantial experience of the portfolio managers. Members of the investment team, utilizing Hyperion Brookfield's proprietary analytics, determine the relative strengths of various securities based on applicable criteria such as issuer, issue, vintage, credit rating, structure, and geographic exposure.</p>
Calamos Investments Meredith French	Pension	Dom Inv Grade FI	Oct-06 to Mar-12 Terminated Mandate changed to Global Opportunities	<p>Calamos Advisors LLC manages a convertible mandate for the North Dakota State Investment Board through the Calamos Convertible Plus strategy. The primary objective of the strategy is to achieve high long-term total return through growth and income. The strategy is focused on primarily investing in convertible securities but in addition utilizes both equities and fixed income. This enhanced flexibility allows Calamos to better manage the overall risk/reward profile of a convertible mandate. To take advantage of international opportunities, the portfolio will utilize the Calamos International Convertible Group Trust, a commingled fund in which we purchase units on behalf of the North Dakota State Investment Board. This commingled fund is generally hedged between 70-100% from a currency perspective.</p>
Calamos Investments Meredith French	Pension	Global Equity	Mar-12 to Dec-13 Terminated	<p>The Global Opportunities objective is high long-term total return through capital appreciation and current income. The Trust invests primarily in a global portfolio of equity, convertible and fixed-income securities. In pursuing the Trust's investment objective, the Investment Manager attempts to utilize these different types of securities to strike, in its opinion, the appropriate balance between risk and reward in terms of growth and income.</p> <p>The Investment Manager attempts to keep a consistent balance between risk and reward over the course of different market cycles, through various combinations of stock, bonds and/or convertible securities, to achieve what the Investment Manager believes to be an appropriate blend for the then-current market. As the market environment changes, portfolio securities may change in an attempt to achieve a relatively consistent risk level over time. At some points in a market cycle, one type of security may make up a substantial portion of the portfolio, while at other times certain securities may have minimal or no representation, depending on market conditions.</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Callan Associates Greg Allen	Pension	Small Cap Dom Equity	May-06 to March-16 Terminated	<p>The investment strategy for the Diversified Alpha Small Cap Equity Fund ("Fund") is based on two empirical studies. The first observed that the average portfolio for a comprehensive universe of active institutional small cap products out-performed the Russell 2000 Index in every three-year period since 1984, resulting cumulative out-performance in excess of five percent per year over the 20-year period with a tracking error of five percent annualized. The consistency and magnitude of this out-performance led to Callan's use of the average institutional small cap portfolio as the target in the Fund's portfolio construction methodology rather than one of the standard small cap indices. The second study observed that the illiquidity of the small cap market presents significant structural challenges to managers as they grow in assets under management ("AUM"). These challenges resulted in smaller products (in terms of AUM) out-performing their larger counterparts by in excess of three percent per year over the observed 20-year period. The consistency and magnitude of this out-performance provided the basis for favoring smaller, less capacity-constrained products in the Fund's manager selection methodology.</p> <p>The Fund's strategy is implemented through the use of a stratified sampling technique, and it begins with the decomposition of Callan's Total Institutional Small Cap ("TISC") universe (consisting of over 700 products) into 10 distinct sub-styles, with approximately 70-75 products in each sub-style. After extensive screening, four products from each sub-style are selected which, when held in combination, are expected to closely track the performance of each sub-style as a whole. This process results in a total portfolio made up of 40 equity sub-advisors, equally weighted in the Fund's portfolio, which very closely tracks the performance of the average actively managed institutional small cap product (historical tracking error since inception of approximately one percent annualized).</p>
Capital Guardian Michael Bowman	Pension Insurance Legacy	Developed Int'l Equity Int'l Equity Int'l Equity	Mar-92 to May-16 Terminated Apr-97 to May-16 Terminated Feb-15 to May-16 Terminated	<p>The Portfolio will invest primarily in equity or equity type securities of companies in developed countries excluding the U.S. These equity securities will be listed on a stock exchange or traded in another recognized market and include, but are not limited to, common and preferred stocks, securities convertible or exchangeable into common or preferred stock, warrants, rights and depository arrangements. The Portfolio may invest in fixed-income securities (including cash or cash equivalents) when market conditions warrant. The Portfolio's investments may be denominated in U.S. dollars or in non-U.S. currencies. The Portfolio may include securities eligible for resale pursuant to Rule 144A and securities in offerings that are not registered for sale in the U.S. but are listed or quoted in the securities' local markets. Instruments acquired as a result of corporate actions are permitted.</p>
Clifton Group/Parametric Ben Lazarus	Pension Insurance Legacy	Asset Alloc Overlay Lg Cap, Small Cap, Int'l Equity and Dom FI Lg Cap, Int'l Equity and Dom FI Lg Cap, Int'l Equity and Dom FI	Nov-08 to Jul-10 and Apr-20 to June-20 April-20 to June-20 April-20 to June-20 Overlay program discontinued	<p>By utilizing exchange traded futures contracts, Clifton synthetically maintains North Dakota State Investment Board's (NDSIB) desired exposure to a variety of asset classes. This synthetic exposure is most often utilized between monthly cash rebalancing moves. Clifton works with NDSIB Staff intermonth and at month end to make sure the economic exposure is between prescribed bands. Futures are purchased or sold to change the portfolio's effective asset class exposure without liquidating or purchasing securities in the cash market. Subsequent asset class exposure is adjusted by modifying the futures positions while the underlying portfolio remains unaffected.</p> <p>Using exchange traded futures contracts as opposed to physical securities provides NDSIB with:</p> <ul style="list-style-type: none"> • More flexibility and efficiency in moving between asset classes • Lower cost for establishing and removing positions • Detailed accounting on the performance of the rebalance move
Clifton Group Ben Lazarus	Pension	Developed Int'l Equity	Mar-10 to Dec 13 Terminated	This portfolio replicates the MSCI EAFE index utilizing futures contracts.

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Coral Partners Fund V Yuval Almog	Pension	Private Equity	Mar-98 to Dec-12 Capital Returned	Coral Partners V focuses its investments in the healthcare and technology sectors with companies in all stages of growth from seed to expansion. The General Partners believe that achieving strong venture capital returns depends on the ability to create enterprises capable of attaining a defensible market leadership position, often by developing new technologies which result in either a new market or the restructuring of an existing market; and that the most effective way of accomplishing this objective is to exploit industry trends and focus on businesses which are execution intensive and operate on a worldwide scale. Important components of this strategy are: active involvement, industry focus, and portfolio management.
Coral Partners Momentum Fund Yuval Almog	Pension	Private Equity	7/1/2002 to June-15 Capital Returned	Coral's Momentum Fund focuses on opportunities in high growth markets undergoing imminent transitions driven by emerging technologies, new business modalities and customer preferences. Examples include: a) the transition to rich digital media as a mass market opportunity; b) the ascendance of ubiquitous telecommunications networks, allowing universal access to voice, data and rich content; and c) the transition to the delivery of software-driven applications as a service, creating new software based franchises with recurring revenue models. Coral's Momentum Fund invests in late stage, technology driven companies the General Partner believes has substantial intrinsic momentum. Companies with intrinsic momentum have early demand related indicators such as accelerating revenues, channel build-up, growing product utilization, and expanding customer bases. The General Partner believes that investing in companies at this stage of development mitigates product and technology risk as well as market acceptance risk.
Coral Partners Supplemental Fund V	Pension	Private Equity	Aug-01 to Dec-12 Capital Returned	Coral Technology Supplemental Fund V invests in technology portfolio companies of Coral Partners V.
Corsair ND Investors Fund IV Michael Poe Cliff Brokaw	Pension	Private Equity	Mar-08 to Dec-16 (IPO) May-10 to Jul-19 (secondary sale)	Corsair seeks to earn strong risk-adjusted returns by leveraging the investment team's knowledge and contacts to identify and execute attractive investments in companies in the financial services industry around the world. Corsair takes control and minority positions, either individually or as a lead member of an investor consortium. Target investments include both privately-held and public companies, generally via private transactions when the target company loses access to, or has difficulty accessing, the public capital markets. In certain circumstances, the Fund may acquire pools of financial assets or securities, or provide financing to a secured pool of assets. Corsair endeavors to develop a strong relationship and high degree of influence with investee company senior executives and key shareholders. In many instances, Corsair obtains Board representation, observer seats, or other types of management rights. Given the complexities of investing in a regulated industry, Corsair's ability to receive more traditional generalist buyout governance rights is often limited, and its ability to influence managerial decisions requires a degree of experience which Corsair believes can only be achieved through a long and consistent history of investing in the financial services sector. Corsair expects the Fund to make 10 to 15 investments over its investment period, although there can be no assurances with respect to the number of investments that will be made. Corsair anticipates holding its investments for between three and six years. In those instances where Corsair is part of an investor consortium, Corsair generally endeavors to act as a lead or co-lead investor, as was the case in all Corsair III investments. On select occasions Corsair expects to co-invest with strategic partners that are capable of bringing added value to an investment and where the Fund's exit considerations can be addressed. Above all, Corsair's value-driven investment style focuses on those investment opportunities in which the Investment Advisor believes that a positive discrepancy exists between an asset's price and its intrinsic value.

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
DMR (Declaration Mgmt & Research) Mortgage Opportunity Fund John Pluta	Pension	Below Inv Grade FI	May-08 to Dec-09 Fund matured/ capital returned	The Fund's investment strategy is to acquire stressed and distressed mortgage backed securities, primarily non-Agency Residential Mortgage Backed Securities ("RMBS"). The return objective of the Fund is to achieve a net IRR in the 12%-20% range within a target five year horizon from the acquisition of such securities. The goal is to extract a significant liquidity premium (apart from the compensation available for assuming credit risk) using bottom-up security analysis during a period when legacy holders of mortgage backed securities are in need of liquidity. Once fully invested, the Fund will be a long-biased investment in distressed securities within various sub-sectors of mortgage credit. The focus of the Fund is senior class RMBS backed by prime, Alt-A and subprime collateral. Higher allocations are expected to be in prime and Alt-A transactions. Security-specific risk will be analyzed at the loan level. The risk analysis links borrower attributes (loan-to-value, credit score, documentation status, age of loan, size of loan, etc.) to the borrower's default and prepayment propensities. Similar borrower attributes are examined to estimate recovery rates post default. Risk management at the security level also involves an examination of issue structure, waterfall priorities and other structural features which trap or divert cash flow, particularly as it relates to our target asset. It is anticipated that the Fund's returns will be earned primarily through cash yield on bonds it acquires at discounted prices and through repayment of principal, or partial principal from recoveries on defaulted mortgages, over the holding period of each asset in the Fund.
DMR (Declaration Mgmt & Research) TALF and ABS Fund/Clifton John Pluta	Pension	Lg Cap Dom Equity	Aug-09 to Dec-11 Fund matured/capital returned	<p>The investment objective of the DMR TALF and ABS Fund is to achieve attractive risk-adjusted returns in the low to mid-teens by investing opportunistically in senior classes of Consumer ABS and CMBS. The returns are expected to be achieved primarily through cash flow yield from assets acquired and financed using non recourse TALF leverage. The Fund term is expected to be relatively short with distributions beginning in July 2010 and most bonds naturally amortizing and maturing within 2-4 years from our purchase date.</p> <p>From a tactical standpoint, we believe the risk/return characteristics of short tenor ABS and CMBS compare favorably to other debt sectors. For TALF eligible assets, the low cost, non-recourse borrowing facility is an attractive feature which corporate credit, levered loans and high yield cannot access.</p> <p>The Fund's primary focus by sub-sector is on TALF-eligible legacy AAA senior CMBS. These assets are trading near par and tend to have a solid credit profile. The strategy does not involve stressed or "credit intensive" securities. Rather, we seek to execute risk efficient trades by employing non- recourse TALF leverage on lower volatility "par based" assets with high confidence in the receipt of coupon cash flow and full repayment of principal. TALF leverage is likely to range at 5x-15x capital depending upon the asset. In general, we expect to hold investments to their respective maturity dates, although we have the flexibility to sell holdings if spreads tighten. In acquiring assets, we employ a bottom-up analysis and model the structural characteristics of each transaction. DMR has a value orientation in security selection, seeking a margin of safety or cushion between base case performance expectations and extreme loss outcomes.</p> <p>The Clifton Group is charged with applying the S&P 500 "beta" exposure for the Declaration "alpha" exposure. The overall goal of the account is to get the return of the S&P 500 index plus an additional alpha amount provided by the TALF fund.</p>

North Dakota State Investment Board Managers - Closed

Investment Manager	Trust	Asset Class	Open to Close Date	Description
DMR (Declaration Mgmt & Research) - formerly Hyperion Brookfield mortgage portfolio John Pluta	Insurance	Fixed Income	Feb-10 to May-14 Liquidated and moved to TRBF	<p>In this mandate, DMR will assume management of mortgage assets originally acquired by Brookfield (Hyperion) over the period 2006-2009. DMR will provide a fresh perspective on the holdings, some of which are credit impaired. The portfolio management services will include loan-level analysis on individual securities and portfolio level risk management of liquidity and volatility.</p> <p>DMR will seek to optimize the risk-return profile of the portfolio. The performance target of the portfolio is a gross total return of 1.25% above the return of the Benchmark over a full market cycle. The Benchmark is the Securitized Portion of Barclays U.S. Aggregate Index (ID #5582).</p> <p>In analyzing portfolio holdings, DMR may produce loss-adjusted cash flow projections on various bonds and/or stress test individual assets to identify break points (principal loss). DMR will evaluate the effect, if any, of government policy such as loan modification on portfolio holdings.</p>
ECM - European Credit Mgmt John (Rusty) Reese	Pension	Lg Cap Dom Equity	Nov-07 to May-11 Terminated	The investment consists of variable rate notes issued by European Credit (Luxembourg), S.A., and managed by European Credit Management Ltd. The notes represent undivided interests in the issuer, a predominately investment grade European credit commingled fund currently rated BBB by Fitch Ratings, and are akin to fund subscriptions. The return on the investment is a combination of the beta of the S&P 500, achieved by means of a total return swap, and the excess return over EURIBOR, net of swap costs (if any), generated by the performance of EC(L). Returns of the investment are substantially hedged back to U.S. dollars.
Epoch Investment Partners Thomas Pernice	Pension	Lg Cap Dom Equity	Jul-07 to Dec-11 Mandate changed to Global Choice	Epoch's Global Absolute Return strategy seeks to produce superior risk-adjusted returns by building portfolios of businesses with outstanding risk/reward profiles without assuming a high degree of capital risk. We adopt a globally-minded approach, seeking to capture the benefits of borderless investing and globalization. The businesses in which we invest effectively reflects the high conviction ideas of the entire range of U.S. and Non-U.S. strategies offered by the firm to be included in this concentrated portfolio. We manage portfolio risk exposure through quantitative and qualitative asset allocation inputs to reduce the likelihood of loss of capital. Our goal is to produce a portfolio of 20 – 30 positions that exhibits low volatility, strong risk-adjusted returns and real absolute returns. Global Absolute Return will use cash to mitigate downside capture.
Invesco Asia Fund I Paul Michaels	Pension	Real Estate	Nov-08 to Dec-19 Matured/Capital Returned	<p>This investment strategy will focus on value added investments with an initial focus on China and Japan, with a secondary focus on Singapore and Hong Kong, in residential, industrial, retail and office properties. Where IRE identifies best value, it will execute the following value added strategies for the Fund:</p> <ul style="list-style-type: none"> -Provide equity for the development of new real estate product that generates high cash returns and demonstrates mid-term growth opportunities. -Reposition assets or change the use of an asset to maximize its value by identifying highest/best use, curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. -Participating in high growth markets -Adopting higher leverage strategies and exploiting market inefficiencies.

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Invesco IREF II Paul Michaels	Pension	Real Estate	Nov-07 to Sept-19 Matured/Capital Returned	<p>The Fund will invest in value-added real estate opportunities. Investments will be made solely in the United States in four specific product types- multifamily, industrial, retail and office properties. Where IRE identifies best values, it will execute the following strategies for the Fund:</p> <ul style="list-style-type: none"> • Re-capitalization: Invest in properties or portfolios at a favorable basis by acquiring an equity interest and/or debt. • Lease-up: Acquire properties with vacant space or near-term lease rollover exposure, with the opportunity to reposition rent roll and tenancy. • High Yield Debt: Acquire unrated pieces of CMBS debt • Renovation/Retenanting/Repositioning: Reposition assets (an example would be to upgrade an asset from Class B to Class A) or change the use of an asset to maximize its value by curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. • Development: Provide equity commitments/investments for the development of new real estate products that allows for access to new, state-of-the-art products at wholesale pricing.
JP Morgan Alternative Property Fund Jim Sakelaris	Pension	Real Estate	Jan-06 to Mar-19 Matured/Capital Returned	<p>The JPMorgan Alternative Property Fund seeks current income and capital appreciation from a portfolio of investments consisting of alternative real estate (senior housing, medical office, hotels, single-family subdivision development, condos, storage, parking and other "non-core" cash-flow-generating property investments) and real estate-related assets in the U.S., as well as traditional and alternative real estate and real estate-related assets in Canada, Mexico and the Caribbean. The Fund pursues a broadly diversified absolute-return strategy targeting a 12-15% total annualized IRR (including a current income return of 5-7% and the balance from capital appreciation) gross of all Fund-level fees and expenses, assuming at least a 5-year holding period.</p> <p>The Fund is designed to benefit from less competitive flow of capital relative to core property. As an infinite-life structure, the Fund offers potential investors the opportunity for periodic liquidity at net asset values established on a quarterly basis. The Fund will also periodically rebalance sector, product and geographic diversification to dampen volatility and create a stable alternative real estate investment portfolio with a conservative level of leverage (60% on a portfolio basis).</p>
JP Morgan Emerging Markets Fund Jim Sakelaris	Pension	Emerging Markets Equity	11/1/2005 to 7/31/14 Terminated	<p>The emphasis of investments in the Emerging Markets Equity Focused Fund is in capital and common stocks, securities convertible into capital and common stocks, and other equity investments, all of which involve foreign companies and enterprises' located primarily in emerging markets. In this context, 'Emerging' refers generally to countries outside of the MSCI EAFE Universe.</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
JP Morgan Greater China Property Fund Jim Sakelaris	Pension	Real Estate	Jan-08 to Nov-18 Matured/Capital Returned	<p>The JPMorgan Greater China Property Fund is a closed-end investment fund which seeks to invest in real estate development projects in Greater China (defined to include China, Hong Kong, Macau and Taiwan). Drawing on over 30 years of real estate investing experience and its position as one of the largest real estate investment managers globally, J.P. Morgan Investment Management Inc. seeks to develop and manage a portfolio of capital-appreciation oriented real estate assets in Greater China. The Fund will generally make its investments across the office, residential, industrial, retail and hospitality sectors by creating project-level joint venture arrangements with multiple operating partners in Greater China. In addition to direct real estate investments, the fund may invest in shorter-term, "structured capital" opportunities in the real estate sector (typically 6-18 months in nature). Such investments may involve publicly listed companies and private companies seeking funding for their operations. The fund will limit the structured capital investments to 20% of the fund's total allocation.</p> <p>The Fund seeks to capitalize on the rapid and sustained economic growth, rising income levels, as well as the recent developments in China that will present opportunities for experienced real estate investment firms like J.P. Morgan to partner with local developers for new investments. The investment objective of the Fund is to seek capital appreciation. Since most of the Fund's investments will be development stage properties, the Fund expects to generate little to no current income. The Fund expects that aggregate secured permanent indebtedness will not exceed, on average over a fiscal year, 75% of the greater of the fair market value or total cost of all of the Fund investments.</p> <p>Investment returns may be hedged on a case by case basis as some investments may be hedged while others may not. Whether to hedge will depend on a number of factors including the currency outlook, the cost/benefit of the hedge, the requirements of lenders, etc. In addition, in cases where debt borrowings are in local currency, there is effectively a built in hedge as well.</p>
JP Morgan Mortgage Backed Securities Jim Sakelaris	Pension	Domestic Fixed Income	Sep-14 to Feb-18 Terminated	<p>JPM seeks to create portfolios that offer superior stability of cash-flows (over a wide range of interest rate scenarios) versus those of the Barclays Capital Mortgage Securities benchmark. Due to a focus on identifying undervalued securities our selection is not limited to securities within the index, we may also utilize agency and non-agency commercial mortgage obligations. Because the mortgage-backed sector, in particular, has been less efficient relative to other sectors in recent years, security selection skills can add particular value. The JPM investment approach seeks to add value through the following: •We take a longer-term view of investing versus adopting a trading mentality.</p> <ul style="list-style-type: none"> • Sub-sector allocation decisions are based on broad sector outlook, using expected return and valuation analysis. • Undervalued securities are identified through diligent research. • Relative risk/reward relationships are evaluated along the yield curve. • Strategy emphasizes research and individual security analysis rather than large macro bets. • Duration is managed primarily as a risk control measure. • Portfolios are well diversified and of high credit quality. • Risk management is embedded throughout process and seeks to limit downside risk relative to the benchmark.
JP Morgan Short Term Bond Fund Jim Sakelaris	Legacy Fund	Short Term Fixed Inc	Sep-11 to Feb-15 Change of asset allocation	<p>The investment objective of the Short Term Bond Fund is to outperform (based on the portfolio's total return, gross of fees) the Barclays Capital 1-3 Year Government/Credit Index (the benchmark) while maintaining total return risk similar to that of the Benchmark as measured over a market cycle.</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
LSV Int'l Equity James Owens, Jr.	Pension	Developed Int'l Equity	Nov-04 to Jan-13 Changed mandate to Global Equity	The objective of our International Large Cap Value strategy is to outperform the MSCI EAFE Index (50% Hedged) by at least 250 basis points (gross of fees) per annum over an annualized 3-5 year period with a tracking error of approximately 5-6%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 150 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). LSV weights countries at a neutral weight relative to the benchmark country weights. Initial positions must be in stocks with a market capitalization above \$500 million. 50% of the portfolio is US dollar hedged.
LSV Large Cap James Owens, Jr.	Pension	Dom Lg Cap Equity	Jun-98 to Jan-13 Changed mandate to Global Equity	The objective of our Large Cap Value Equity (U.S.) strategy is to outperform the Russell 1000 Value by at least 200 basis points (gross of fees) per annum over a 3-5 year period with a tracking error of approximately 4%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 100 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). Initial positions must be in stocks with a market capitalization above \$500 million.
Matlin Patterson (Fund I)	Pension	Private Equity	Jul-02 to Jun-16 Matured/Capital Returned	Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors. Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors.
Mellon (Franklin Portfolio Assoc.)	Pension	Lg Cap Dom Equity	Sep-06 to Aug-09 Terminated	To achieve superior long term equity market returns through an investment process consisting of two parts: a) a market neutral equity strategy with approximately equal dollars invested long and short having the objective of neutralizing the overall movements of the market. Furthermore, other systematic sources of risk, including industry/sector and capitalization effects, will be controlled so that the large portion of portfolio returns comes from individual stock selection. b) an equitization strategy using S&P 500 index futures contracts to overlay the performance of the S&P 500 index on the market neutral strategy.
NTGI (Northern Trust Global Investments) Common TIPS Fund Richard Clark Jim Aitcheson	Insurance	Inflation Protected	May-07 to July-10 Terminated	The Corporate Trustee may invest and reinvest in units of common funds maintained by the Corporate Trustee or any affiliate of the Corporate Trustee, including, but not limited to the NTGI-QM Common Daily Treasury Inflation Protected Securities (TIPS) Index Fund-Lending. To meet liquidity needs, the Corporate Trustee may also invest in short term cash investments, including shares of money market portfolios, other common funds, or registered investment companies for which the Corporate Trustee or an affiliate serves as trustee, custodian or investment advisor.

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
NTGI (Northern Trust Collective Emerging Markets Index Fund) Jason Pasquinelli	Pension	Emerging Markets Equity	July-12 to July-14 Terminated	<p>The Northern Trust Collective Emerging Markets Index Fund will be invested primarily in equity securities of business enterprises organized and domiciled outside the US or for which the principal trading market is outside the US.</p> <p>In the Fund, and where applicable with respect to the Fund, the Trustee will employ statistical methods to select securities which comprise or will comprise the Index without necessarily buying all the relevant Index equities. Such securities will be selected, acquired, held and liquidated solely on the basis of such methods and not on the basis of any economic, financial, market timing, or other analysis.</p> <p>Securities purchased for the Fund will generally, but not necessarily be traded on a foreign securities exchange. The Trustee may, in its discretion, purchase or sell depository receipts.</p> <p>The Fund will be rebalanced from time to time in order to minimize the expected or predicted deviation between the performance of the Fund and the performance of the relevant Index or to reflect changes in the composition of the Index.</p>
PanAgora Asset Mgmt Lisa Mahoney	Pension	Emerging Markets Equity	Feb-06 to Dec-13 Terminated	<p>The Emerging Markets Fund seeks to exceed, in the aggregate, the return of the Morgan Stanley Capital International Emerging Markets Index before fees and expenses. The Emerging Markets fund may be invested in:</p> <ul style="list-style-type: none"> • International equity securities including common, preferred and instruments convertible into common or preferred stock for those companies which comprise the Benchmark and the Morgan Stanley Capital International Frontier Markets Equity Index. • American Depositary Receipts, Global Depositary Receipts, European Depositary Receipts • Exchange traded funds based on the underlying securities in the Benchmark • Spot and forward currency exchange contracts • US Treasury bills • Daily Liquidity Fund • The maximum investment in companies which comprise the Morgan Stanley Capital International Frontier Markets Equity Index will not exceed 10% measured at time of purchase.
PIMCO Distressed Senior Credit Opportunities (DiSCO) Fund I Julie Meggers Todd Staley Michael Chandra	Pension	Dom Inv Grade FI	Jul-08 to Oct-11 Moved to Fund II	<p>The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.</p>
PIMCO Distressed Mortgage Fund Julie Meggers Todd Staley Michael Chandra	Pension	Below Inv Grade FI	Oct-07 to May-13 Capital Returned	<p>The PIMCO Distressed Mortgage Fund is an opportunistic private-equity-style Fund which seeks to capitalize on the historic dislocation in the US and global mortgage markets. The Fund invests in mortgage-related securities and loans where PIMCO believes the long-term value of the investment is highly attractive relative to current market pricing. Within the universe of mortgage-related assets, the Fund will be otherwise unconstrained. The Fund will essentially look to capitalize on forced liquidations of mortgage risk from mark-to-market and ratings sensitive investors at historic high yields.</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
PIMCO MBS Stephanie King Michael Chandra	Pension	Dom Inv Grade FI	Mar-12 to Nov-17 Allocation Change to Core Plus	The PIMCO Mortgage-Backed Securities Strategy is an actively managed bond portfolio that invests in high quality, short to intermediate duration mortgage-backed securities. The fund invests primarily in securities that are highly rated, such as US Government guaranteed Ginnie Mae securities and Agency-guaranteed Fannie Mae and Freddie Mac mortgage-backed securities.
PIMCO Unconstrained Bond Fund Julie Meggers Todd Staley	Pension	Dom Inv Grade FI	Mar-12 to Mar-14 Converted to SMA Mar-14 to Nov-17 Allocation change to Core Plus	The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond approach - capital preservation, liquidity, and diversification - but with higher alpha potential and the opportunity to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches.
PIMCO (formerly Research Affiliates) Ed Sasinowski	Insurance Legacy	Dom Small Cap Equity Dom Small Cap Equity	July-07 to May-20 March-15 to May-20 Terminated	Small company value equity portfolio utilizing the index strategy and philosophy described as the Enhanced RAFI® US Small strategy which in turn is based on our patent pending Fundamental Index® concept. The Enhanced RAFI® US Small strategy relies on portfolio weights derived from firm fundamentals (free cash flow, book equity value, total sales and gross dividend), instead of market capitalization. In addition, the enhanced portfolio strategy uses a quality of earnings screening and a financial distress screening to augment portfolio returns and reduce portfolio volatility.
Prudential Privest Peter Taggart	Pension	Dom Inv Grade FI	Jun-05 to Mar-12 Terminated	The Prudential Privest fixed income account is invested primarily in unsecured privately placed debt securities.
Prudential PruAlpha Peter Taggart	Pension Insurance (currently Budget Stabilization only)	Dom Lg Cap Equity Enhanced Cash	Mar-08 to May-12 Redeemed out/Terminated Jul-07 to May-12 Redeemed out/ Terminated	<p>At launch, Pru Alpha was an absolute return strategy investing across multiple sectors of the global fixed income markets. There were significant redemptions from Pru Alpha in the wake of the high market volatility in late 2008. Pru Alpha is currently focused on investing in distressed securities in the fixed income markets.</p> <p>The Pension Trust invested in a feeder fund that allocated a substantial portion of its assets to the Pru Alpha Master Fund and invested substantially all of its remaining assets in a replication strategy based on the S&P 500 Total Return Index. On November 26, 2008, the S&P 500 beta overlay was discontinued. Effective June 1, 2009, the S&P 500 beta overlay was reapplied via a separate account that invests in S&P 500 futures in amounts intended to match the market value of the Pension Trust's Pru Alpha investment.</p> <p>The budget stabilization account is an "enhanced cash" portfolio to augment the other components of North Dakota's budget stabilization assets. This account was originally invested across three components: Dryden Core Short-Term Bond Fund (80%), bank loans (10%), and Pru Alpha (absolute return fund, 10%). Core Short-Term Bond Fund is an "enhanced cash" portfolio that seeks to capture incremental yield from various sectors in the short term portion of the market, with virtually no interest rate risk. Holding assets in the structured product and corporate sectors led to significant underperformance through the credit market downturn from 3Q07-1Q09, but the fund has recovered significantly year-to-date 2009. The bank loan component of the portfolio consists of approximately 20-25 individual bank loans managed by PFIM's high yield/bank loan team. The names held in the account are biased towards the higher quality and more liquid names in the bank loan arena. Pru Alpha is an absolute return strategy and is described with the Pension Trust investment above.</p> <p>On July 28, 2009, \$95mm was added to this account. As a result of discussions with our senior investment team at PFIM and Steve Cochrane, it was decided to invest the new assets in short-term corporate bonds (1-3 years). As of 8/31/09, the account is allocated as follows: Short-term corporates (47%), Dryden Core Short-Term Bond Fund (39%), bank loans (5%), and Pru Alpha (4%) and cash (5).</p>

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Quantum (Resources) Brian Borque	Pension	Private Equity	Oct-06 to Jun-17	Quantum Resources' investment strategy is to acquire, develop, enhance and exploit mature oil and gas properties in order to provide investors with both a current income vehicle with capital appreciation potential and a hedge to other investments through long-term exposure to changes in commodity prices. The company will acquire cash flow producing oil and gas properties primarily located in North America through asset or corporate purchases. By acquiring properties in a diverse set of mature fields with long operating histories, long-lived production characteristics and additional development potential, the company is emphasizing a focus on capital preservation and the reinvestment of cash flow into property development or add-on acquisitions. Management expects to acquire income streams generated by the production of oil and gas reserves at attractive discount rates of future net cash flows.
SEI Investments	Pension Insurance	Dom Small Cap Equity Dom Small Cap Equity	Jul-01 to Nov-09 Terminated Jul-01 to Nov-09 Terminated	Utilizing multiple SEI Portfolio sub-advisors, the SEI Portfolio invests in common stocks and other equity securities with the goal of providing capital appreciation.
SEI Investments Bob Thomas	Pension (Job Service only)	Core Plus Fixed Income	Jul-09 to Mar-12 Terminated	A diversified set of lowly correlated alpha sources increase confidence in consistent excess return -Combination of managers with a broad opportunity sets inclusive of government, credit and structured securities -Derivatives provide an efficient means of strategy implementation -Managers have the ability to utilize derivatives to manage duration, yield curve, sector and security strategies to enhance return or reduce risk
State Street Global Advisors Kevin Sullivan	Pension	Developed Int'l Equity	July-92 to Dec-13 Terminated	SSgA attempts to identify stocks that it believes are undervalued, using detailed investment analysis. The strategy is normally broadly invested among countries and industries. The investable universe is equity securities of companies outside the United States within the market capitalization range of the index.
State Street Global Advisors	Pension Insurance	Dom Lg Cap Equity Dom Lg Cap Equity	Jul-92 to Jul-09 Terminated Oct-96 to July-09 Terminated	Originally hired as S&P 500 Index funds and later re-mandated to 130/30 strategies.
State Street Global Advisors	PERS Retiree Health		Mar-94 to Jul-09 Terminated	Balanced account consisting of index funds in fixed income, large and small cap and int'l equity.

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
State Street Global Advisors Joe Cadigan	Tobacco	Large Cap Equity Ex-Tobacco	Oct-15 to May-19 Liquidated - Reduction in Total Fund Size - Eliminated Asset Class	<p>The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The Strategy may purchase securities in their initial public offerings ("IPOs"). In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question.</p> <p>From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index.</p> <p>The Strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.</p> <p>Benchmark S&P 500® ex Tobacco is comprised of the S&P 500® minus tobacco companies. The S&P 500® is comprised of approximately 500 leading companies in leading industries of the U.S. market with approximately 75% coverage of the U.S. stock market capitalization.</p>
UBS Global Asset Management Betsy Sanders	Pension	Emerging Markets Equity	July 05 to Dec 13 Terminated	Emerging markets equity investments will be confined to the UBS Emerging Markets Equity collective Fund of the UBS Group Trust, which is maintained by UBS Global Asset Management Trust Company. The account's emerging markets equity assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes.
UBS Global Asset Management Betsy Sanders	Pension	Dev. Int'l Fixed Income	July-89 to Feb-18 Terminated	The non-US fixed income portfolio's assets may be invested in emerging markets debt on an opportunistic basis up to the stated maximum allocation of 5%. The account's non-US fixed income assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes.
Wachovia Global Securities Lending John Menard	Pension Insurance	All asset classes	Oct-07 to Jun-11 Terminated when acquired by Citi	Securities lending is the temporary loan of a security from an institutional investor's portfolio to a broker/dealer or dealer bank to support that firm's trading activities. These trading activities include short selling, selling on margin or the satisfaction of some other type of transaction. Loaned securities are generally collateralized, reducing the lender's credit exposure to the borrower. Except for the right to vote proxies, the lender retains entitlement to all the benefits of owning the original securities, including the receipt of dividends and interest. Additionally, the lender receives a fee for the use of the securities and can reinvest the collateral. The lender, however, bears the market risk of the loaned securities. This is due to the borrower being obligated to ultimately return the securities, not the original market value of the securities, at the time the loan was made. Lendable securities include U.S. government and agency bonds, U.S. and foreign equities, U.S. corporate and Eurobonds, foreign government bonds, asset backed and mortgage backed securities

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Investment Manager	Trust	Asset Class	Open to Close Date	Description
Wells Capital Management Jeff Mellas Doug Beath	Pension	Dom Lg Cap Equity	Apr-06 to Mar-10 Terminated	The State of North Dakota's Alpha Capture Portfolio (ACP) is a quantitatively driven global long/short strategy designed to exploit mispricing of risk between and within asset classes and market sectors. Core models are utilized in conjunction with the management team to identify opportunities between global stock and bond markets. Markets that are designed to focus more directly on specialized markets such as commodities and individual market sectors supplement the core models. ACP is constructed using instruments such as futures contracts and exchange traded funds (ETFs). The ACP strategy does not currently hedge its non-U.S. dollar positions.
Wells/Sutter Niklas Nordenfelt	Pension	Below Inv Grade FI	Apr-04 to Mar-10 Terminated	The Sutter High Yield strategy applies a bottom-up fundamental based investment strategy focused on identifying the best risk adjusted opportunities in the high yield market. The investment objective is to deliver outperformance with less volatility over a market cycle. Documented rationale supports each initial investment in a credit. The team's philosophy and process is grounded on the principal of "underwriting the credit as though we are making a direct loan to that company" with a focus on U.S. based companies.
Wells Capital Management Stephen Scharre	Pension	Dom Inv Grade FI	Nov-98 to Mar-12 Terminated	The Medium Quality Credit fixed income strategy is designed to maximize total return from the high-grade corporate bond market while maintaining a strategic allocation to the BBB portion of the high yield market. Credit research is a primary driver of our results; however, our process starts with a "top-down" strategy to guide decision-making. Security selection is determined by in-depth credit research. We believe in-depth knowledge of industries, companies, and their management teams enable us to identify credit trends that can lead to investment opportunities. In conjunction with performing rigorous fundamental research, we also apply a disciplined relative value framework which helps us determine the optimal position to invest within an industry and within an individual issuer's capital structure.
Western Asset Derek Fan	Pension	Dom Inv Grade FI	Oct-09 to Mar-12 Mandate changed to MBS	A portfolio using all major fixed-income sectors with a bias towards non-Treasuries, especially corporate, mortgage-backed and asset-backed securities. Value can be added through sector rotation, issue selection, duration and term structure weighting.
Western Asset Derek Fan	Pension	Dom Inv Grade FI	Mar-12 to Sep-14 Terminated	The investment objective for the Western Asset Mortgage-Backed Securities portfolio is to outperform the Barclays Capital US Mortgage Backed Securities Index over a three to five year market cycle. The portfolio is designed to hold high quality assets, with at least 90% of the portfolio rated AAA, or the rating of US Treasury or Agency securities, by at least one of the nationally recognized statistical rating organizations.
Western Asset	Insurance	Inflation Protected	May-04 to Oct-09 Mandate changed to Global TIPS	<p>Western Asset's US TIPS Full Discretion Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies in seeking to add value while minimizing risk.</p> <p>The approach is to construct a well diversified, higher yielding inflation-protected portfolio with a bias towards Treasury Inflation Protected Securities. Exposure to the diversifying sectors (which include credit, global inflation-linked securities and mortgage-backed securities) may be derived through derivative and forward transactions. This strategy allows for opportunistic investments in high yield, emerging markets, non-dollar securities, commodities and bank loans.</p>
Western Asset	Insurance Legacy	Real Assets Real Assets	Oct-09 to Nov-18 Mar-15 to Nov-18 Mandate changed to US TIPS	<p>Western Asset's Global Inflation-Linked composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies in seeking to add value while minimizing risk.</p> <p>The approach is to construct a portfolio primarily of inflation-indexed securities. Value can be added through country selection, term structure, issue selection, duration management and currency management.</p>

North Dakota State Investment Board Managers - Closed

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Westridge/WG Trading/Clifton	Pension Pension Insurance	Dom Lg Cap Equity Dom Inv Grade FI Dom Lg Cap Equity	Aug-00 to Apr-11 Jan-08 to Apr-11 Apr-04 to Apr-11 (Settlement proceeds rec'd Apr-11)	S&P 500 Index Arbitrage Portfolio. Pension Domestic Fixed Income beta portfolio was changed to S&P 500 in November 2008. WG Trading was shut down by Federal Regulators in February 2009 and assets are in receivership. An S&P beta exposure was put on the accounts in July, 2009 by Clifton Group to maintain proper exposure to markets while in litigation.

MEMORANDUM

TO: SIB/TFFR Board
FROM: Jan Murtha
DATE: July 20, 2021
RE: Executive Limitations/Staff Relations

Ms. Murtha will provide a verbal update at the respective Board meetings on staffing, agency organization and communication, and our move.

BOARD ACTION REQUESTED: Information Only

BUDGETING / FINANCIAL CONDITION**AS OF JUNE 30, 2021**

	2019-2021 BUDGET	ADJUSTED APPROPRIATION	BIENNIUM TO DATE ACTUAL	EXPENDITURES		
				BUDGET AVAILABLE	% BUDGET AVAILABLE	% OF BIENNIUM REMAINING
SALARIES AND BENEFITS	\$ 4,978,230.00	\$ 4,978,230.00	\$ 4,882,714.31	\$ 95,515.69	1.92%	0.00%
OPERATING EXPENDITURES	3,538,934.00 *	3,538,934.00	938,664.33	2,600,269.67	73.48%	0.00%
CAPITAL ASSETS	6,300,000.00	6,300,000.00	0.00	6,300,000.00	100.00%	0.00%
CONTINGENCY	52,000.00	52,000.00	0.00	52,000.00	100.00%	0.00%
TOTAL	<u>\$ 14,869,164.00</u>	<u>\$ 14,869,164.00</u>	<u>\$ 5,821,378.64</u>	<u>9,047,785.36</u>	<u>60.85%</u>	<u>0.00%</u>

* In addition to the Capital Assets line, the operating expenditure budget includes \$2,650,000 for the TFFR Pension Administration System Project.

NOTE: This report includes accruals for salaries and benefits but not operating expenses as of June 30. Final June expense accruals will not be known until after July 29th.

EXPENDITURE REPORT

QUARTER ENDED MARCH 31, 2021

	INVESTMENT	RETIREMENT	QUARTERLY TOTALS	FISCAL YEAR TO - DATE	BIENNIUM TO - DATE
<u>CONTINUING APPROPRIATIONS</u>					
INVESTMENT EXPENDITURES*	\$ 16,585,745	\$ 0	\$ 16,585,745	\$ 83,369,361	\$ 148,801,326
MEMBER CLAIMS					
1. ANNUITY PAYMENTS	0	59,042,061	59,042,061	235,205,086	459,566,616
2. REFUND PAYMENTS	0	1,284,381	1,284,381	5,923,187	12,412,891
TOTAL MEMBER CLAIMS	0	60,326,442	60,326,442	241,128,272	471,979,506
OTHER CONTINUING APPROPRIATIONS	177,986	29,288	207,273	595,578	1,816,772
TOTAL CONTINUING APPROPRIATIONS	16,763,731	60,355,729	77,119,461	325,093,211	620,695,277
<u>BUDGETED EXPENDITURES</u>					
1. SALARIES & BENEFITS					
SALARIES	255,015	219,351	474,366	1,859,724	3,567,964
OVERTIME/TEMPORARY	0	0	0	0	55
TERMINATION SALARY & BENEFITS	34,496	0	34,496	34,496	34,496
FRINGE BENEFITS	79,416	85,808	165,224	665,993	1,280,198
TOTAL SALARY & BENEFITS	368,928	305,159	674,087	2,560,213	4,882,714
2. OPERATING EXPENDITURES					
TRAVEL	3,076	1,311	4,388	5,517	34,250
IT - SOFTWARE/SUPPLIES	48	42	90	124	420
PROFESSIONAL SUPPLIES & MATERIALS	0	0	0	1,060	2,502
MISCELLANEOUS SUPPLIES	334	118	453	593	1,649
OFFICE SUPPLIES	58	151	209	830	2,301
POSTAGE SERVICES	564	1,613	2,177	24,539	57,445
PRINTING	70	64	134	7,619	21,594
IT EQUIPMENT UNDER \$5000	302	2,451	2,753	3,216	4,934
OTHER EQUIP. UNDER \$5000	0	0	0	0	3,540
INSURANCE	0	0	0	894	1,812
BUILDING/LAND RENT & LEASES	9,059	13,032	22,091	88,365	178,289
REPAIR SERVICE	85	120	205	285	2,450
DATA PROCESSING	4,413	23,299	27,711	97,995	182,356
TELECOMMUNICATIONS - ISD	1,343	1,592	2,934	10,778	22,542
IT - CONTRACTUAL SERVICES	938	36,627	37,566	39,557	43,524
DUES & PROF. DEVELOPMENT	625	1,600	2,225	11,689	27,140
OPERATING FEES & SERVICES	6,909	9,408	16,318	21,184	46,222
PROFESSIONAL SERVICES	1,076	166,426	167,502	291,090	305,693
TOTAL OPERATING EXPENDITURES	28,901	257,854	286,756	605,335	938,664
3. CAPITAL ASSETS	0	0	0	0	0
4. CONTINGENCY	0	0	0	0	0
TOTAL BUDGETED EXPENDITURES	397,829	563,013	960,842	3,165,548	5,821,379
TOTAL EXPENDITURES	\$ 16,983,574	\$ 60,889,455	\$ 78,080,303	\$ 328,258,759	\$ 596,512,973

* All investment expenses are shown in the investment program column until the final fiscal year-end report in September each year when the amount allocated to TFFR will be finalized.

NOTE: This report includes accruals for salaries but not operating or investment expenses as of June 30. Final June expense accruals will not be known until late August.

INVESTMENT EXPENDITURE DETAIL
INVESTMENT EXPENSE FOR YEAR ENDED JUNE 30, 2021

	9/30/2020 Quarter	12/31/2020 Quarter	3/31/2021 Quarter	6/30/2021 Quarter	Fiscal Year to Date Totals
Investment Manager Fees					
Pension Investment Pool	\$ 12,022,964	\$ 18,432,396	\$ 12,858,317	\$ (34,960)	\$ 43,278,716
Insurance Invesment Pool	1,801,654	2,256,276	1,989,150	0	6,047,081
Legacy Fund	9,309,131	10,787,004	11,196,796	(94,744)	31,198,186
PERS Retiree Health Credit Fund / Job Service ND Pension Fund	268,406	276,148	287,948	0	832,502
Tobaco Prevention and Control Fund	236	176	49.04	-	461
Total Investment Manager Fees	\$ 23,402,392	\$ 31,751,999	\$ 26,332,260	\$ (129,704)	\$ 81,356,946
Investment Custodian Fees					
Pension Investment Pool	\$ 136,349	\$ 134,379	\$ 149,536	\$ -	\$ 420,264
Insurance Invesment Pool	78,742	76,050	81,225	-	236,018
Legacy Fund	177,758	180,067	200,522	-	558,347
PERS Retiree Health Credit Fund / Job Service ND Pension Fund	4,704	4,704	4,704	-	14,111
Tobaco Prevention and Control Fund	550	550	550	-	1,650
Total Investment Custodian Fees	\$ 398,103	\$ 395,750.47	\$ 436,536.44	\$ -	\$ 1,230,389
Investment Consultant Fees					
Pension Investment Pool	\$ 80,590	\$ 116,660	\$ 63,462	\$ -	\$ 260,712
Insurance Invesment Pool	32,205	22,208	22,800	-	77,213
Legacy Fund	80,010	137,677	226,413	-	444,100
Total Investment Cusultant Fees	\$ 192,805	\$ 276,545	\$ 312,675	\$ -	\$ 782,025
Total Investment Expenses	\$ 23,993,299	\$ 32,424,295	\$ 27,081,471	\$ (129,704)	\$ 83,369,361

**Quarterly Report on Ends
Q4:FY21**

Investment Program

Manager Research and Monitoring Highlights

Over the quarter, Staff continued to conduct due diligence on the remaining candidates for the in-state investment program. Staff also continued to work on evaluating managers that employ quantitative strategies in international equities. Lastly, Staff spent time analyzing candidate managers for the Diversified Real Assets allocation.

Portfolio Changes & Investment Consultant

At the April 23rd Board meeting, the Board approved Staff's recommendation to engage 50 South Capital to expand the Legacy Fund's in-state investment program. The commitment amount was \$250 million. At this meeting the Board also approved a commitment of \$200 million to the Invesco Real Estate U.S. Fund VI.

At the May 21st Board meeting, the Board approved a \$150 million commitment to ISQ Global Infrastructure Fund III. The Board also approved an additional \$65 million commitment to Macquarie Infrastructure Partners V.

Other

Staff continues to conduct preliminary due diligence on prospect managers/products for future consideration.

Staff continues to monitor each client's asset allocation monthly and makes rebalancing decisions based on rebalancing policy and cash flow requirements.

Staff attended meetings with many SIB client boards, sub-committees and/or legislative committees or representatives including TFFR, PERS, Legacy and Budget Stabilization Advisory Fund.

LSV and Epoch remain on the Watch List.

NDRIO Investment Due Diligence Quarterly Monitoring Report

Apr-01-2021 to Jun-30-2021

Date	Firm	Reason For Call	Key Takeaways	Location	RIO Attendees
4/1/2021	Brookfield	Catch-up (Real Estate and Infrastructure)	<i>Attractive prospect</i>	Call	Eric Chin
4/7/2021	Sun Mountain	In-State diligence		Call	David Hunter, Darren Schulz, Eric Chin, Matt Posch
4/7/2021	50 South Capital	In-State diligence		Call	David Hunter, Darren Schulz, Eric Chin, Matt Posch
4/8/2021	Grosvenor	In-State diligence		Call	David Hunter, Darren Schulz, Eric Chin, Matt Posch
4/9/2021	D. E. Shaw	Due diligence	<i>Attractive prospect</i>	Call	Eric Chin
4/9/2021	ISquared	Portfolio update, introduction to fund III	<i>Consider reup</i>	Call	David Hunter, Darren Schulz, Eric Chin, Matt Posch
4/14/2021	CIFC	Preliminary due diligence	<i>Prospect</i>	NY	Eric Chin
4/15/2021	CBF	Manager update	<i>Think about re-up</i>	Call	Eric Chin
4/15/2021	Riverbridge	Q1 Update		Call	Eric Chin, Darren Schulz, Matt Posch
4/16/2021	EQT	Update	<i>Attractive prospect</i>	Call	Eric Chin
4/16/2021	Callan	ACWI ex-US Search	<i>Discussed top candidates for the international equity search</i>	Call	Darren Schulz, Eric Chin, Matt Posch
4/20/2021	Two Sigma	Due diligence	<i>Attractive prospect</i>	Call	Eric Chin
4/21/2021	Western Asset	Manager update		Call	Eric Chin, Darren Schulz, Matt Posch
4/21/2021	Cerberus	Review other Cerberus products	<i>Credit product is interesting</i>	Call	Eric Chin
4/26/2021	Macquarie	Portfolio concentration		Call	Eric Chin, Matt Posch
4/28/2021	EQT	Due diligence	<i>Attractive prospect</i>	Call	Eric Chin
4/29/2021	Fidelity	Catch up call		Call	Matt Posch
4/30/2021	Federated Hermes	Catch-up with Kathleen Sigg		Call	Matt Posch
5/3/2021	Arrowstreet Capital International Equity	Due diligence	<i>Highly attractive prospect</i>	Call	Eric Chin
5/3/2021	ETG	Due diligence		Call	Eric Chin
5/4/2021	WFAM	Manager update		Call	Darren Schulz, Eric Chin, Matt Posch
5/5/2021	Voya	Networking meeting @ Pension Bridge	<i>Prospect</i>	Call	Matt Posch
5/5/2021	Castlelake	Networking meeting @ Pension Bridge	<i>Alternative assets, primarily aviation</i>	Call	Matt Posch
5/5/2021	Baillie Gifford	Networking meeting @ Pension Bridge	<i>Prospect</i>	Call	Matt Posch

5/6/2021	DWS	Networking meeting @ Pension Bridge	<i>Prospect</i>	Call	Matt Posch
5/7/2021	SECOR Asset Management	Networking meeting @ Pension Bridge		Call	Matt Posch
5/7/2021	Napier Park Global Partners	Networking meeting @ Pension Bridge		Call	Matt Posch
5/7/2021	Two Sigma	Introduction to firm	<i>Quant equity strategies</i>	Call	Darren Schulz,Eric Chin,Matt Posch
5/7/2021	HarbourVest Partners	Networking meeting @ Pension Bridge	<i>PE prospect</i>	Call	Matt Posch
5/10/2021	Arrowstreet	Due diligence	<i>Highly attractive prospect</i>	Call	Eric Chin
5/12/2021	Cerberus	Due diligence	<i>Credit strategy is interesting</i>	Call	Eric Chin
5/17/2021	Taconic Capital	Due diligence	<i>Interesting for real estate</i>	Call	Eric Chin
5/19/2021	D. E. Shaw	Due diligence	<i>Highly attractive</i>	Call	Eric Chin
5/21/2021	Lazard	Intro		Call	Eric Chin
5/25/2021	NB Dyal	Intro to to Dyal fund V	<i>Prospect, invests in asset managers</i>	Office	Darren Schulz,Matt Posch
5/25/2021	Riverbridge	In person meeting		Office	Darren Schulz,Matt Posch
5/26/2021	Sixth Street	Performance Update		Call	Eric Chin,Matt Posch
5/27/2021	T. Rowe Price	Catch-up with John Masdea		Call	Matt Posch
6/9/2021	Contrarian	Due diligence	<i>Prospect</i>	Call	Eric Chin
6/9/2021	Goldman	Due diligence		NY	Eric Chin
6/10/2021	MSD Partners	Introduction to private credit opportunities fund	<i>Prospect</i>	Call	Darren Schulz,Eric Chin,Matt Posch
6/14/2021	HarbourVest Partners	Introduction to firm	<i>Large fund of funds with ability to create customized solutions</i>	Call	Darren Schulz,Eric Chin,Matt Posch
6/16/2021	Castlelake	Aviation IV Stable Yield Webinar	<i>Aviation focused fund</i>	Call	Matt Posch
6/18/2021	WFAM	Due diligence		NY	Eric Chin
6/21/2021	PIMCO	BRAVO II Annual LPAC Meeting	<i>No issues</i>	Call	Matt Posch,Eric Chin
6/22/2021	Blue Owl	Due diligence		NY	Eric Chin
6/24/2021	Baron Capital	Due diligence		Call	Eric Chin
6/24/2021	The London Company	Intro to Value equity strategy	<i>Focus on quality value</i>	Call	Matt Posch
6/25/2021	Barings	Due diligence		NY	Eric Chin
6/28/2021	Soundpoint	Due diligence		Call	Eric Chin
6/30/2021	Elm Tree	Due diligence	<i>Interesting Real Estate Strategy</i>	Call	Eric Chin
6/30/2021	Epoch	Due diligence	<i>Continues to underperform</i>	NY	Eric Chin

MEMORANDUM

TO: TFFR Board
FROM: Denise Weeks – Retirement Program Manager
DATE: July 16, 2021
RE: TFFR Ends – Quarterly Monitoring – Quarter Ended March 31, 2021

Retirement Program

This report highlights **exceptions** to normal business operations.

- The TFFR Board heard a presentation addressing results from a 10-Key Assessment of TFFR communication efforts. The ten keys are strategy, branding, website, feedback, simplicity, year-round, targeted audiences, experience, budget, and partners.
- TFFR staff continued to work with Segal Benz to develop a strategic communication plan based on results of the ten keys assessment.
 - Staff and Segal finished business interviews related to the Communication, Cyber Risk and Current Business Process Assessments.
 - Staff and Segal completed workshops to discuss and agree upon a Future Business Process model on which to base RFP development
- Segal presented TFFR's current and future business model and cybersecurity assessment results to the Board. Interim recommendations were made by Segal as a result of these reports.
- Retirement Services continued to hold training sessions lead by Ms. Murtha on various topics such as TFFR's return to teach policy, disability retirements, member refunds, qualified domestic relations orders, and ND state laws and rules pertaining to TFFR.
- Prepared testimony, presented information, and monitored 2021 legislative proposals for potential impact.
 - HB 1174 passed related to TFFR Required Minimum Distributions.
- Began Administrative Rule Promulgation Process for Assumption changes.

- The TFFR Board suspended the in-staff subbing policy as it applies to re-employed retirees for the remainder of fiscal year 2021.
- TFFR staff communicated with Employers their payments and reports need to be submitted by the 15th of every month with NO ten-day grace period as previously practiced.
- Conducted numerous member salary reviews, account reconciliations, counseling sessions via Teams, and claims processing activities for spring retirees.
- In an effort to improve TFFR's outreach via electronic methods, staff conducted individual and group counseling sessions and business manager workshops virtually to over 100 members and employers.
- Investment, Trends, Ends, and Audit reports were presented to the TFFR Board.

BOARD INFORMATION ONLY. No board action requested.

MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha, Interim Executive Director – Chief Retirement Officer
DATE: July 16, 2021
RE: PAS Project Update

The following summarizes the efforts of RIO agency staff to complete Phase 1 and initiate Phase 2 of the PAS project from April 2021 through the current date:

- All Phase 1 Deliverables have been accepted by Staff.
- Phase 2 has been initiated (Procurement of Solution).
- Retirement Services staff continues to meet twice monthly to discuss operation items as well as conduct issue specific trainings to identify areas of improvement for both applicable processes and recommendations for changes to the law.
- NDIT, RIO staff, and Segal meet weekly to discuss PAS project status and review progress on interim recommendations.
- NDIT, Procurement, RIO staff, and Segal have conducted multiple meetings to respond to vendor questions and prepare for the RFP response review.
- The vendor solution RFP was issued June 1, 2021; responses are due July 21, 2021.
- The ESC approved contracting with Segal for assistance through Phase 3 of the PAS Project.
- A June TFFR Board retreat was held to discuss Fund Policy issues, pursuant to interim recommendations.

BOARD INFORMATION ONLY. No board action requested.



BOARD LEADERSHIP

INNOVATIVE APPROACHES TO GOVERNANCE

NUMBER 175, MAY–JUNE 2021

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Twelve reasons why boards and executives should be clear that profit is not the purpose of their company

By Dr. Axel Kravatzky and Mark Stephens

Leaders of companies are increasingly expected to ensure that their companies fulfill a purpose beyond profits. Many still have doubts, and privately believe the real purpose of the company is simply to make a profit. Here, Dr. Axel Kravatzky and Mark Stephens summarize twelve arguments why profit alone is not, cannot, and ought not be purpose of a company.

Mission, vision and values have become commonplace mantras within organizational leadership circles. They are meant to serve as the guiding light for what the organization stands for and signal its commitment to good governance. A fourth concept, purpose, while not new and commonly, at least partially, codified in constituting documents such as its articles of incorporation, 'the objects' of a company, is far less widely used. There are different definitions of "purpose". Some range from broad and general, such as ISO/DIS 37000, which defines purpose as the "organization's reason to exist which guides its performance objectives and provides clear context for daily decision-making by relevant stakeholders" to the more specific and descriptive such as Hurth et. al., (2018:4) "an organization's meaningful and enduring reason to exist that

aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholder. Finally, there are more normative definitions, such as that of Mayer and British Academy (2020:16), which suggests that "The purpose of business is to profitably solve the problems of people and planet, and not profit from causing problems."

This last definition, Mayer and British Academy, has gained some prominent advocates in recent years. One of the most notable public calls for and commitments to a corporate purpose beyond profit were Blackrock's Larry Fink's letter to CEOs (Fink, 2018) in which he said that "To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society". This notion of purpose has also made it into the Draft International Standard ISO/DIS 37000 Guidance for the Governance of Organization (2020) and the Danish Corporate Governance Code of 2020.

(continued on page 2)

CALENDAR OF EVENTS

JUNE 16–19

2021 Govern for Impact Conference

Virtual Conference

The 2021 annual conference for Govern for Impact—formerly known as the International Policy Governance Association—will be held virtually June 16–19.

According to organizers, this conference brings together boards, CEOs, and administrators using the policy governance system, as well as young governance professionals and others exploring good governance.

The 2021 conference includes a range of learning experiences, including a variety of workshops across three tracks:

- Track 1: Policy Governance Fundamentals Practices and Principles.
- Track 2: Innovations in Advanced Policy Governance Practice.
- Track 3: Governance Excellence.

Attendees will have the opportunity to choose one workshop from each track in each of four time slots (12 workshops total). Attendees do not have to stay in the same track throughout the conference; all registrants will have access to all keynote and workshop PowerPoints and handouts, even for sessions they do not attend.

(continued on page 8)

ALSO IN THIS ISSUE

- Board Considerations for Covid-19 Vaccine Programs 6
- Food for Thought 7

Purpose

(continued from front page)

Finally, and most notably, the 2019 Business Round Table, a group of 200 of the world's most powerful CEOs and heads of corporations, issued a statement on the "purpose of the corporation". All 200 signatories committed to delivering value to all their stakeholders (customers, employees, suppliers, communities, and investors) beyond profit for the furtherance of wellbeing.

Yet, despite what appears to be enthusiastic support of corporate leadership and international governance regimes embracing a purpose beyond profit, very few organizations (even amongst those governed by the signatories to the 2019 Business Round Table) have taken the next obvious step of publicly declaring a wellbeing focused purpose beyond profit for their companies. What is behind this discrepancy between what leaders say about purpose versus what they are doing about purpose? What are the roadblocks to them embracing purpose? To be sure, this apparent reluctance to embrace purpose may have several explanations. In this article, we address one of the most persistent and prevalent we have encountered. Despite these public theoretical declarations to the contrary, when the rubber meets the road, many CEOs and leaders believe that in practice, the purpose of business is to create profit. This is the bottom-line, and while it is becoming increasingly unacceptable to voice this view in public, in the board room this is what some believe. Are they correct? What are the specific arguments that might persuade them otherwise?

We cluster the counter-arguments into four groups:

- i. **Assumptions don't hold:** The premises of those who argue for an exclusive focus on profit maximization on theoretical grounds do not fit an extensive range of situations
- ii. **Empirical facts don't speak for it:** Those who claim empirical vindication either that people

ultimately exclusively focused on profit and that such a focus yields superior financial results are being confronted with increasing evidence to the contrary

- iii. **The world needs a social purpose:** There are powerful arguments that call for a proactive change in focus away from exclusive profit maximization and towards social and environmental problem solving because of the social, economic, and ecological risks and changes the world is experiencing
- iv. **Wellbeing and empowerment are the purpose:** Principled and logical differentiation between means and ends – where the profitable solutions that firms create through actions, products, and service to satisfy specific expectations of customers are the means, whereas the ultimate increase in wellbeing that forms is the end and the true purpose.

i. Assumptions don't hold

Let us consider some of the most widely known arguments favouring companies focusing on profit as their purpose. A little more than 50 years ago, Milton Friedman published an essay in the New York Times magazine entitled "The social responsibility of business is to increase its profits". He asserted that owners had primarily profit motives that ought to be fulfilled, that business did not have a comparative advantage concerning solving social issues, and that it is wrong in principle to solve the social problems by means other than the democratic system and regulation. As is often the case, many people do not read the original text and instead simplified the arguments and referred to this and Friedman's earlier work interchangeably as "shareholder primacy" and "the Friedman Doctrine" (see Lipton, 2020).

Let us examine Friedman's assumptions and what that means in relation to the arguments against claiming that profit is the purpose of business.

Edmans (2020) argued that experience has demonstrated that the assumptions on which the Friedman Doctrine rests are demonstrably often inconsistent with reality and therefore speak mostly against his original arguments.

1. **Firms sometimes do have a comparative advantage in contributing to social wellbeing.** Friedman (1970) assumed that firms have no comparative advantage in socially responsible actions and therefore, it is not the firm that should decide how to spend the money, but instead, the firm should seek to pass on any resources to key stakeholders (owners based on higher profits, employees on the basis of higher incomes, and customers on the basis of cheaper goods and services) and let them decide how to allocate them. To the contrary, Edmans (2020) argues Friedman is incorrect in asserting that private firms always lack a competitive advantage to impact the public good. There are several recent examples of this. Most famously, Ford and General Motors, whose competitive advantage in manufacturing, was called upon to produce PPE (personal protective equipment) and ventilators to fight the 2020 COVID-19 epidemic. Coca-Cola, in another example, was leveraging its competitive advantage in transporting cold goods into remote areas to transport vaccines. These examples demonstrate without a shadow of a doubt that Friedman was incorrect in this assertion.
2. **Firms should actively consider investing in socially responsible actions when there is regulatory failure by the government.** Friedman's Doctrine (1970) also rests on the assumption that governments are functioning well enough to reflect the democratic will of the citizens. As such, he argues that it would be wrong in principle to go against the democratic will of the people, as expressed by governments

through “the rules of the game” that they create, even if these irk executives. However, what if governments are not functioning well, which we all know is a common occurrence? What if governments are not reflecting the will of the people? Friedman offers us no help here. These cases, we would argue, represent another opportunity for private organizations to have a purpose that furthers the public good. For example, the Pew Research Center (Tyson and Kennedy, 2020) found that over 2/3rd of Americans believe that their government’s efforts to fight global warming is falling short of their expectations. This national consensus has existed for years. Still, it has not been translated into effective legislation. Indeed, Donald Trump famously withdrew the United States from the Paris Climate Accords ostensibly against the will of his people. Is this an opportunity for corporate purpose?

3. **Investment in socially responsible action is often better explained and justified by intrinsic reasons than far-fetched instrumental reason.** To practically use profit maximization as the primary purpose of organizations, the Friedman Doctrine has the following assumption built-in: it must be possible to measure and calculate the Net Present Value (NPV) of all investments (Edmans, 2020). Only in this way could owners, boards and executives maintain profit maximization as their de-facto objective in decision making. In reality, some things are easier to measure in monetary terms than others, and Edmans points out that, in many cases, the link from non-financial dimensions (e.g. meaningfulness of job) to financial returns contains many uncertainties, it renders meaningful NPV calculations about related individual investment decisions infeasible. Edmans (2020) further argues

that linking all investment to financial returns and profits is not feasible and unnecessary. The reason for this is simple: firms do make investments in social responsibility dimensions not only for instrumental reasons (to increase profits) but also for intrinsic reasons (to increase value for a stakeholder or the natural environment). This fact, therefore, demonstrates that the purpose of firms can, and increasingly often does, include dimensions other than profit maximization.

4. **It is possible and inherent in governance-related decision making to factor in multiple-objectives and to resolve dilemmas.** Amongst the most severe and prominent critics of a stakeholder approach to governance, in which several stakeholder groups’ wellbeing is considered, not only shareholders, are Bebchuk and Tallarita (2020). The core of their argument is the claim, an assumption, that it is a “Herculean” task for “directors to make the hard choices necessary to define the groups of stakeholders whose interests should be taken into account and then to weigh and balance these interests, which are often difficult to measure, in the vast number of situations in which trade-offs arise.” Bebchuk and Tallarita (2020:21,23) suggest that not only are the choices insurmountably difficult to make but also that “any attempt to delineate the set of relevant stakeholders will confront difficult and challenging questions that have no clear answer”. They conclude that even attempting to make decisions based on the well-being outcomes for several stakeholders poses severe threats to the capitalist system’s foundation. In their view, only regulations and a change in the game rules by policymakers can successfully lead to solving the social and environmental

(continued on page 4)

WHEN WE SAY...

Board Leadership’s mission is “to discover, explain and discuss innovative approaches to board governance with the goal of helping organizations achieve effective, meaningful and successful leadership to fulfill their missions.”

Board Leadership aims to fulfill this mission by engaging its readers in a lively and illuminating inquiry into how board governance can be made more effective. This inquiry is based on three key assumptions:

- Boards exist to lead organizations, not merely monitor them.
- Effective board governance is not about either systems, structures, processes, theories, practices, culture, or behaviors—it is about all of them.
- Significant improvements are likely to come only through challenging the status quo and trying out new ideas in theory and in practice.

Uniquely among regular publications on board governance, Board Leadership primarily focuses on the job of board leadership as a whole, rather than on individual elements of practice within the overall job.

Over time, Board Leadership will provide a repository of different approaches to governance created through its regular “One Way to Govern” feature.

Here’s what a few of the key terms we use mean to us:

- **Innovative:** Creating significant positive change
- **Approaches:** Principles, theories, ideas, methodologies and practices.
- **Board governance:** The job of governing whole organizations. □

Purpose

(continued from previous page)

issues that they acknowledge exist. To counter their view, critics (e.g. Mayer, 2020; Medland and Taylor, 2020; Lipton, 2020) have pointed out that making decisions based on trade-offs between competing objectives, resolving dilemmas, and making judgements are inherent in all forms of governance. It is not "an anathema but a fundamental function of a board" (Mayer, 2020:1).

ii. Empirical Facts Don't Speak for it

The second set of arguments of why profit is not and should not be the purpose of companies pertain to the empirical observations of owners and executives care about, and what happens when companies act on a purpose beyond profit maximization.

5. **Owners can, and increasingly do, have a purpose for the firm that is beyond profit maximization.** Friedman argued that organizations themselves do not have a will beyond that of their owners and the executives who, in Friedman's view, work to fulfill the wishes of owners. Friedman (1970) declares it the norm that owners seek to "make as much money as possible while observing the rule of law and ethical custom", but at the same time, he explicitly makes provision for exceptions. The fact that it is not unusual that a purpose beyond profit exists is borne out by the fact that legislation for exactly this reason has been created in several countries (e.g. Benefit-corporation legislation in the USA and, more recently, France and several other countries). Fink's (2018) letter to CEO's mentioned earlier and the Business Round Table Statement bear testimony to this.

6. **Investments in socially responsible causes, not profit maximization, are already commonplace.**

Friedman (1970) argued that companies should take stakeholder and community concerns into account and address them not as an end in themselves, and not because that could be part of the purpose of a firm, but because it would be in the best interest of the firm itself in that it would be able to generate goodwill and lower transaction costs, which in turn increase profits. *"It may well be in the long-run interest of a corporation that is a major employer in a small community to devote resources to providing amenities to that community or to improving its government. That may make it easier to attract desirable employees."* (Friedman, 1970:6) This means, therefore, that the actions of firms that want to succeed over the long term will include measures of social benefit and will not adhere to short-term profit maximization.

More recent work by Gartenberg, Prat, and Serafeim (2018) went further. They demonstrated many firms focused on purpose beyond profit and that these outperformed others on accounting and stock market performance measures. They studied the relationship between corporate purpose and financial performance, using the input of over 456,000 employees across 429 publicly traded companies. Gartenberg et al. showed that firms that score high on purpose (meaning here positive social and community impact, "My work has special meaning, it is not just a job." "I feel good about the way we contribute to the community" "When I look at what we accomplish, I feel a sense of pride.") and where particularly middle management score high on 'management clarity' (e.g. "Management makes its expectations clear", "Management has clear view of where the company is going and how to get there") outperform others on accounting and stock market performance measures. Gartenberg et al. refer to firms in which both employees score high on purpose and where middle management is clear on where

the company is going as having "purpose clarity". These companies are focused on social impact, and profit is an outcome.

iii. The world needs a social purpose

The third group of arguments against the view that firms' purpose is only to make profit pertains to the stream of influential work concerning corporate purpose by the British Academy (2020) under Professor Colin Mayer's leadership on the 'Future of the Corporation'. This work shows that corporations served the public interest over extended periods in history and that the current developments require companies to lead responsibly.

7. **When corporations first appeared, the purpose was almost entirely in service of the social interest.** Mayer (2018), in his book on "Prosperity", showed that the notion that corporations serve the public good existed in Roman times. Since then, it waned, but has recently come back to the forefront.

8. **Global challenges and the global nature of business have created systems risks that require the very purpose of firms to be re-aligned because regulation alone is not sufficient.** There is a worldwide consensus that current "rules of the game" have failed to prevent global challenges such as climate changes, loss of biodiversity on unprecedented scales, etc. At the same time, business has become more global, making government policies and regulation harder to enforce effectively. This combination has created systemic risks, which make the corporate and environmental systems we rely on vulnerable. Firms must become active participants in stabilizing the systems and generating wellbeing.

9. **Technology and business models have changed to an extent and at a pace that has made existing regulation dangerously ineffective.** The challenges and opportunities that these changes

contain require the purpose beyond profit of companies to become their central driving force.

10. **Stakeholders other than investors have grown dramatically in prominence.** Even if investors cared only about financial returns, they are often no longer the stakeholder that could argue that they matter most because they 'own' the greatest proportion of companies. The increasingly intangible nature of company value has reduced the strength of the argument for shareholders primacy. With that, the presumed primacy of profit, because the proportionate value that they 'own', the tangible assets, has decreased dramatically in proportion.
11. **Business is playing an increasingly important role in generating the trust necessary for social and economic progress.** Stakeholders have generally reduced their trust in government and media while somewhat increasing it in business. As a result, the relative importance of business in maintaining, strengthening, and transforming the social contract has increased and with this, the importance of business increasing its own ethical behaviour and responsible stewardship of resources. Trust is generated through accountability, and therefore business needs to articulate its purpose with increasing clarity.

iv. Wellbeing and empowerment are the purpose

The fourth set of arguments against the view that the purpose of companies is only profit takes a principled and value generation logic approach. Calling the profit firms generate their purpose confuses means and ends.

Peter Drucker famously said, "*the purpose of a business is to create and keep a customer*". At Syntegra-ESG, we agree with the statement but go further to prevent errors of interpretation whereby the product or the transaction or the payment for the

service by customers could wrongly be thought of the purpose, instead of the ends of that service – which is the empowerment of the people being served as customers and their wellbeing.

12. **The product or service is the means to fulfill or achieve wellbeing, which is the end and the purpose, while profit is a critical by-product of the means, successful and sustainable execution.**

We can think of an organization as a machine that a group of humans get together and build to address some fundamental wellbeing problem in the world. Typically, the problem to be solved is essential, motivating people to find solutions through which the world is improved. The lives of the individuals impacted by the problem are enhanced. Organizations make tools we call products or services to provide to clients, customers, or citizens to solve their problem. Not all products are the same, and some firms produce better products than others.

Using this analogy, a product cannot be the purpose of an organization. The product is a means to an end, a tool that an organization uses to achieve its purpose, which is to solve a problem and create wellbeing. There may be other products or other tools that an organization might use. While these tools might change, the purpose of the organization remains the same.

Thus, it would not make sense to say that an insurance company's purpose is to sell insurance. Insurance is only a means to an end. The insurance company's purpose is the problem it is trying to help its customers solve by providing them with insurance. For instance, the problem might be framed as assisting customers to ensure that their futures are safe and secure. Insurance is a tool to achieving safety and security, but it is not safety and security itself. It, in and of itself, is not the purpose.

Using this logic, making money or profit can never be said to be an organization's true purpose. Profit is made when customers compensate an

organization for tools it has created to achieve its true purpose. In the insurance example, customers pay premiums in exchange for the assurance that the insurance product provides them. In this sense, making money is a critical by-product of the pursuit of purpose. It is not the purpose itself.

Money, capital, is one of the essential fuels for the engine of purpose, but making money is not the purpose itself. Indeed, making money can no more be the purpose of an organization's existence than breathing air could be the purpose of human existence.

Axel Kravatzky and Mark Stephens are co-founders and Managing Partners of Syntegra-ESG, advising and guiding leaders on how to develop, activate, and amplify the power of their brand and people to positively impact society and the natural environment profitably.

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Board Considerations for Covid-19 Vaccine Programs

By Erica L. Opitz and Diana Pérez Gomez

Erica L. Opitz and Diana Perez Gomez are attorneys with Chamberlain Hrdlicka, a law firm headquartered in Houston, providing expertise on a variety of matters relating to corporate governance; commercial contract, mergers and acquisitions; and privately held securities, among others. In this article, they discuss the key factors that the board should weigh when deciding whether to require their employees to receive the COVID-19 vaccine.

Following nationwide protests demanding racial equality and the end of systemic injustice, legislators, investors, and industry leaders have endeavored to hold corporations accountable for their role in perpetuating social inequities. In the past year, new regulatory requirements for diversity—including race, ethnicity, gender, and sexual orientation—among boards of directors have been enacted, shareholders have brought derivative litigation to demand improved equity and inclusion, and market influencers, including NASDAQ itself, have proposed new measures of corporate accountability. Accordingly, even the most well-intentioned companies face a new landscape of potential liability if they cannot show compliance with tangible measures of diversity and inclusion. Nevertheless, by understanding new sources of potential liability and taking demonstrable steps to meet and exceed these benchmarks, companies and their boards can ameliorate legal risks, improve their own decision-making by adding new viewpoints, and assume their role as part of our societal advancement toward equality.

After over a year of uncertainty, many companies are optimistic that vaccines made available to the American public through the Food & Drug Administration (FDA) will help them resume normal operations in 2021. Although many companies have found that their workforce is just as productive when working remotely, other companies cannot operate under remote conditions. For those

companies there is a sense of urgency to get back to normal and the available vaccines, given emergency use authorizations (EUA), provide a potential light at the end of the tunnel.

However, vaccines will only protect a company's workforce if employees actually vaccinate. As a result, many employers are trying to determine whether they can, or should, enforce a mandatory vaccination program for their employees. A mandatory vaccination policy would require employees to receive COVID-19 vaccination as a condition to return to the workplace. In making this decision, the board of directors of these companies should carefully consider a number of factors.

Legality of a Mandatory Vaccination Policy

Although the Equal Employment Opportunity Commission (EEOC) has issued guidance for when employers require vaccinations, it does not explicitly state that a mandatory vaccination policy is permissible. Additionally, it is important to recognize that EEOC guidance does not carry the substantive authority of law. Courts are not required to defer to EEOC guidance when making decisions.

Currently, there is proposed legislation in some states that would prohibit employers from refusing to hire, discharging, or discriminating against an individual based on vaccine status. For example, Texas House Bill 1687 would amend the Texas Labor Code to make it unlawful for an employer to fail or refuse to hire, discharge, or otherwise discriminate against an individual with

respect to compensation or the terms, conditions, or privileges of employment because the individual has not received a COVID-19 vaccine. Pennsylvania House Bill 262 likewise makes it unlawful for an employer to discharge, refuse to hire, or retaliate or discriminate against an individual for refusing vaccinations and goes further by protecting an employee who informs other employees about the law.

At this time, the vaccines have only been given EUAs by the FDA. Under the FDA statute, individuals receiving the vaccine must be informed "of the option to accept or refuse administration of the product." See 21 USC 360bbb-3(e)(1)(A)(ii)(III). The EEOC guidelines also reference the EUAs and note the FDA's obligation to "ensure that recipients of the vaccine under an EUA are informed...they have the option to accept or refuse the vaccine."

The board of directors will want to take into account the changing landscape in this area of law, as well as the fact that a mandatory vaccination policy could ultimately be held unenforceable by a court.

Administration of the Vaccine

Some mandatory vaccination programs require proof of vaccination, whereas others provide on-site vaccinations to their employees. Either way, there are a number of legal as well as logistical considerations that the board of directors will want to consider.

Although the EEOC does not consider vaccination a medical examination under the Americans with Disabilities Act (ADA), if a company is providing on-site vaccinations, pre-vaccination screening questions and follow-up questions may require employees to disclose personal medical information. If the Board decides to request proof of vaccination from the company's employees, the EEOC has held that such a request is "not likely to elicit information about a disability." However, additional questions, such as asking why an employee is not vaccinated, may result in the disclosure of an employee's disability. As a

result, companies should only request health information from their employees that is job-related and consistent with business necessity. Much of this potential legal liability may be avoided if employees receive their vaccination from an off-site vaccination center.

It is also important to maintain the confidentiality of any personal medical information received from employees in compliance with the ADA. All medical information about an employee, including an employee's statement that he or she believes they have COVID-19, should be stored separately from the employee's personnel file. Additionally, if a Board is considering an on-site mandatory vaccination program or requesting proof of vaccination, they should develop policies and procedures that limit the information requested from employees, as well as who has access to such information after it is provided to the company.

Reasonable Accommodations

There are a number of reasons that an employee may refuse to receive the vaccine. Some of these reasons include the unknown effects of the vaccine on pregnancy, disabilities that prevent the employee from receiving the vaccine, or religious objections to receiving the vaccine. An employer must provide a reasonable accommodation for a disability or religious belief, practice, or observance unless it would pose an undue hardship. Consequently, before making an employment decision, the employer should conduct an individual assessment to determine if an unvaccinated employee poses a direct threat and whether a reasonable accommodation can eliminate or reduce that direct threat. If there is no reasonable accommodation available, the employer may be able to exclude the employee from physically entering the workplace. However, any employment action, including excluding the employee from the worksite or separating the employee, must comply with any applicable federal, state, and local equal employment laws. Additionally, managers and supervisors should be

reminded that it is unlawful to retaliate against an employee for requesting an accommodation.

Encouragement and Incentives

Some companies may decide to encourage receipt of the vaccine as opposed to requiring it. There are companies that have considered offering incentives for employees who can provide proof of vaccination. Currently, it is unclear whether the law will permit the offering of these incentives. Earlier this year, the EEOC issued guidance that indicated that employers could only offer *de minimis* incentives. However, the EEOC later withdrew this guidance. We expect to see new EEOC guidance in the near future.

COVID-19 Precautions Must Still Be Taken

At this point, there are still a lot of unknowns related to COVID-19 vaccines: For instance, whether and to what extent an individual who received the vaccine may continue to spread the virus similar to the spread of the virus that is common in someone who is asymptomatic but contracted COVID-19. Without this data, the board of directors should assume that the vaccination is for the protection and benefit of the individual who received the vaccination and not the protection of other employees or third parties. Ultimately, this means that the board of directors should continue to maintain and enforce all precautions that the company has been implementing, including the precautions recommended and required by the Center for Disease Control (CDC), the Occupational Safety and Health Administration (OSHA), and state and local agencies.

Lead by Example

If the board of directors decides to implement a mandatory vaccination policy or encourage their employees to receive the vaccine, they should not underestimate the power of leading by example in a way that is visible to their employees, such as documenting their receipt of the vaccine and sharing a

picture or video with employees. This could help to convince some employees who are undecided on whether to receive the vaccine.

In Conclusion

Given the constantly evolving landscape in this area, most companies have chosen to encourage but not mandate the vaccination of their employees. Additionally, some companies are providing their employees with updated information regarding the safety and efficacy of the vaccines, as well as information on where employees can sign up for vaccinations. According to the CDC, the vaccines are effective and "[m]illions of people in the United States have received COVID-19 vaccines," which have "undergone the most intensive safety monitoring in U.S. History." As we all proceed through these uncharted waters, it is always best to consult with legal counsel before implementing any policies or procedures. □

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FOOD FOR THOUGHT

"A man can only lead when others accept him as their leader, and he has only as much authority as his subjects give to him. All of the brilliant ideas in the world cannot save your kingdom if no one will listen to them."

Brandon Sanderson

Calendar of Events

(continued from page 1)

In addition, all registrants will have access to all keynote and workshop recordings.

The online platform will also feature virtual meetings and breakout rooms to create an immersive and collaborative experience. Attendees will be able to freely move around into different rooms, create their own discussion spaces around topics they are most interested in, and just chat with fellow attendees "in the hallway"—just as you would at an in-person conference.

Registration fees for this event had not been published at press time.

For more information, visit <https://bit.ly/2PeyGlh>.

JULY 5–7

Chartered Governance Institute Annual Conference

Virtual Conference

The Chartered Governance Institute will host its annual conference, Governance 2021, virtually July 5–7.

This year's conference, which will focus on the theme, "The Next Chapter," will feature a mix of keynote addresses, panel sessions, workshops, as well as ample time for attendees to network with their peers. The program will take stock of the state of the governance

landscape following the challenges of the last 12 months, and explore what's coming up on the governance horizon.

According to organizers, the conference will feature speakers such as:

- Sir Jonathan Thompson, CEO of the Financial Reporting Council.
- Ian Peters, Director of the Institute of Business Ethics.
- Jane Gunn, mediator, speaker, and author.
- Ben Page, chief executive at Ipsos MORI.
- Alex Edmans, professor of finance at the London Business School.

Some of the issues to be discussed include:

- What are the emerging risks that boards need to consider?
- How will your organization continue to support your employees' well-being as you return to the office and the "new norm"?
- What are the recurring pitfalls and biases when it comes to succession planning?
- Do you have the skills needed to exercise judgment in the virtual boardroom?
- Is your boardroom ready to embrace artificial intelligence?

Registration fees for this event range up to £445 or about \$612.

For more information, visit <https://bit.ly/3cdNHMU>. ■

BOARD LEADERSHIP

INNOVATIVE APPROACHES TO GOVERNANCE

BOARD LEADERSHIP: INNOVATIVE APPROACHES TO GOVERNANCE (Print ISSN: 1061-4249; Online ISSN: 1542-7862) is published bimonthly by Wiley Periodicals LLC, 111 River St., Hoboken, NJ 07030-5774 USA.

Postmaster: Send all address changes to **BOARD LEADERSHIP**, Wiley Periodicals LLC, c/o The Sheridan Press, PO Box 465, Hanover, PA 17331 USA.

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