

Friday, October 25, 2024, 8:30 a.m.

WSI Board Room (In-Person), 1600 E Century Ave, Bismarck, ND

[Click here to join the meeting](#)

AGENDA

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA - (Board Action)

- A. Pledge of Allegiance
- B. Conflict of Interest Disclosure
- C. Executive Summary

II. ACCEPTANCE OF MINUTES (September 27, 2024) – (Board Action)

III. EDUCATION (40 minutes) – (Information)

- A. Fixed Income – Mr. Anderson

IV. INVESTMENTS (60 minutes)

- A. Staff Quarterly & Annual Performance Update (Board Action) – Mr. Anderson
- B. Internal Investment Initiative Update (Information) – Mr. Anderson
 - 1. Asset Allocation Consultant (Board Action)¹ - Mr. Anderson

(Break)

V. GOVERNANCE (35 minutes)

- A. Investment Committee Update (Information) – Treasurer Beadle, Mr. Anderson
- B. Governance & Policy Review Committee Update (Information) – Dr. Lech, Ms. Murtha

VI. QUARTERLY MONITORING REPORTS (45 minutes) – (Board Action)

- A. Quarterly Investment Ends – Mr. Posch
- B. Quarterly Outreach Report – Ms. Mudder
- C. Annual Budget/Fiscal Conditions Report – Mr. Skor
- D. Executive Limitations/Staff Relations Report – Ms. Murtha

VII. OTHER

Next Meetings:

Investment Committee – November 8, 2024, at 9:00 a.m.

SIB GPR – November 13, 2024, at 10:00 a.m.

Audit Committee – November 18, 2024, at 2:30 p.m.

TFFR Board – November 21, 2024, at 1:00 p.m.

SIB Meeting – November 22, 2024, at 8:30 a.m.

VIII. ADJOURNMENT

¹ Executive Session pursuant to N.D.C.C. 44-04-19.2 and 44-04-18.4(6)(b) to discuss exempt proposal procurement information during a competitive bidding process.

EXECUTIVE SUMMARY

SIB Regular Meeting

October 25, 2024 – 8:30 a.m. CT

- I. **Agenda:** The October 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.
 - Attendees are invited to join the Board Chair in the Pledge of Allegiance.
 - Conflict of Interest Disclosure: For best practice board members are asked to review the agenda and note any potential conflicts of interest for an item in advance of or at the start of the meeting. Conflicts can be documented using the following form: [Conflict of Interest Disclosure Form 8 17 2022 .pdf \(nd.gov\)](#)
- II. **Minutes (Board Action):** The September 27, 2024, Board meeting minutes are included for review and approval.
- III. **EDUCATION**
 - A. **Fixed Income (Information):** CIO Anderson will provide board education on fixed income. The presentation will be added to the materials prior to the meeting.
- IV. **INVESTMENTS**
 - A. **Staff Quarterly and Annual Performance Update (Board Action):** CIO Anderson will present quarterly and year end investment performance for board acceptance.
 - B. **Internal Investment Initiative Update (Information):** CIO Anderson will provide the Board with an update on current activities related to implementation of the internal investment initiative.
- V. **GOVERNANCE**
 - A. **Investment Committee Update (Information Only):** The Committee Chair and CIO Anderson will provide an update on recent committee activities.
 - B. **GPR Committee Update (Information):** The committee Chair and Ms. Murtha will provide the Board with an update on committee activities.
- VI. **REPORTS (Board Action):** Staff will provide monitoring reports for quarterly investment ends, quarterly outreach activities, annual budget and fiscal conditions, and executive limitations/staff relations.

Adjournment.

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
SEPTEMBER 27, 2024, BOARD MEETING (IN-PERSON)**

MEMBERS PRESENT:

Tammy Miller, Lt. Governor, Chair
Dr. Rob Lech, TFFR Board, Vice Chair
Thomas Beadle, State Treasurer, Parliamentarian
Joseph Heringer, Commissioner of Univ. & School Lands
Pete Jahner, Investment Professional
Sen. Jerry Klein, LBSFAB
Cody Mickelson, TFFR Board
Adam Miller, PERS Board
Joe Morrisette, PERS Board
Dr. Prodosh Simlai, Investment Professional
Art Thompson, Director of WSI

MEMBERS ABSENT:

Rep. Glenn Bosch, LBSFAB
Susan Sisk, Director of OMB

STAFF PRESENT:

Scott M. Anderson, CIO
Eric Chin, Deputy CIO/Head of AFM
Derek Dukart, Sr. Investment Analyst
Jennifer Ferderer, Fiscal/Investment Admin.
Chirag Gandhi, Portfolio Mgr.
Brian Hermanson, Investment Accountant
Rachel Kmetz, Fiscal/Investment Operations Mgr.
Missy Kopp, Exec. Assistant
George Moss, Portfolio Mgr.
Sarah Mudder, Communications/Outreach Dir.
Jan Murtha, Exec. Dir.
Matt Posch, Portfolio Mgr.
Emmalee Riegler, Procurement/Records Coord.
Chad Roberts, DED/CRO
Ryan Skor, CFO/COO
Mike Schmitcke, Sr. Investment Accountant
Dottie Thorsen, Internal Auditor
Nitin Vaidya, Chief Risk Officer
Tami Volkert, Compliance Spec.
Susan Walcker, Sr. Financial Accountant
Jason Yu, Risk Officer
Lance Zietlow, Portfolio Mgr.

GUESTS:

Jill Baber, NDIT
Michele Blumhagen, NDIT
Dean DePountis, Attorney General's Office
Marc Gesell, Verus
Kim Weis, NDIT
Members of the Public

CALL TO ORDER:

Lt. Gov. Miller, Chair, called the State Investment Board (SIB) regular meeting to order at 8:30 a.m. on Friday, September 27, 2024. The meeting was held in the Workforce Safety and Insurance Board Room, 1600 E Century Ave., Bismarck, ND.

The following members were present representing a quorum: Treasurer Beadle, Commissioner Heringer, Mr. Jahner, Sen. Klein, Dr. Lech, Mr. Mickelson, Mr. Miller, Lt. Gov. Miller, Mr. Morrisette, Dr. Simlai, and Mr. Thompson.

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the September 27, 2024, meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.

AYES: COMMISSIONER HERINGER, TREASURER BEADLE, MR. MILLER, MR. THOMPSON, DR. SIMLAI, MR. MICKELSON, SEN. KLEIN, DR. LECH, MR. MORRISSETTE, MR. JAHNER, AND LT. GOV. MILLER

NAYS: NONE

ABSENT: REP. BOSCH AND MS. SISK

MOTION CARRIED

MINUTES:

The Board considered the minutes of the July 26, 2024, SIB meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE JULY 26, 2024, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, COMMISSIONER HERINGER, MR. MORRISSETTE, MR. THOMPSON, TREASURER BEADLE, DR. LECH, MR. JAHNER, SEN. KLEIN, MR. MILLER, DR. SIMLAI, AND LT. GOV. MILLER

NAYS: NONE

ABSENT: REP. BOSCH AND MS. SISK

MOTION CARRIED

EDUCATION:

AI State Policy and Practices:

Ms. Weis and Ms. Baber, NDIT, provided education on the development of policy for state agencies on the use of artificial intelligence (AI) and some of the opportunities for AI application. Uses of generative AI included content creation, customer service, writing assistance, summarization, product design, coding assistance, and assisting in data analytics. An overview of AI dos and don'ts was provided along with considerations of bias, validity, ethics, big data, and security when using AI. Board discussion followed.

AI Application in Investments:

Mr. Posch provided a demonstration of the opportunities for using AI in the investment program. Board discussion followed.

INVESTMENTS:

Quarterly and Annual Performance Update:

Mr. Gesell, Verus, provided the quarterly and annual performance update as of June 30, 2024. Mr. Gesell reviewed the economy and its effect on performance. A summary of performance was provided for PERS, TFFR, WSI, and the Legacy Fund. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY/ANNUAL INVESTMENT PERFORMANCE UPDATE.

AYES: SEN. KLEIN, COMMISSIONER HERINGER, DR. SIMLAI, MR. MORRISSETTE, MR. MICKELSON, MR. MILLER, TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, DR. LECH, AND LT. GOV. MILLER
NAYS: NONE
ABSENT: REP. BOSCH AND MS. SISK
MOTION CARRIED

Internal Investment Initiative Update:

Mr. Anderson provided an update on the progress of the internal investment initiative. The hiring process for the internal team is progressing. The order/portfolio management system agreement was signed, and the development of a work plan is underway. An updated organizational chart for RIO and specifically the Investment program was presented. Mr. Anderson reviewed the timeline of tasks related to the internal investment program and items that have been completed. Board discussion followed.

SIB Client Update:

Mr. Skor provided an update on the onboarding and offboarding of SIB clients. Staff have successfully onboarded three new client funds and investments have been made according to each fund's investment policy statement. RIO was informed that the ND Association of Counties wishes to transition their funds away from the SIB. This process started in September and will be completed by the end of the calendar year. The ND University System has indicated their intent to expend the remaining money in their Capital Building Fund. After the departure of those funds, the number of statutory and contractual client funds will be at 29. Board discussion followed.

The Board recessed at 10:37 a.m. and reconvened at 10:47 a.m.

GOVERNANCE:

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the August 9, 2024, September 13, 2024, and September 16, 2024, IC meetings. At the August 9th meeting, Mr. Vaidya reviewed the risk program strategy, followed by a closed-session private markets manager recommendation from Mr. Zietlow and Mr. Moss. Mr. Chin proposed pooling Legacy Fund and insurance manager portfolios to reduce costs and operational effort, which the investment committee approved. Presentations on external manager selection tools and public markets funds management followed. On September 13, Mr. Anderson reviewed fiscal year-end performance, and a manager recommendation was made in closed session. Public market manager guidelines for the Equity 2.0 transition were also discussed. On September 16, Mr. Anderson reviewed the investment consultant strategy, followed by closed-session interviews of prospective asset allocation consultants. Board discussion followed.

Asset Allocation Consultant:

Mr. Anderson provided an overview of the consultant strategy that was approved by the Board. The Board approved a consulting strategy in April, moving from a general consulting arrangement to a specialist-focused model to address the growing complexity of the investment portfolio. Several consultants were hired, including compensation, benchmark, and performance compliance consultants to oversee investment compliance. The investment committee also interviewed prospective asset allocation consultants and recommended hiring one to assist in regularly reviewing and updating capital market assumptions and asset class allocations, ensuring more frequent updates and better decision-making for asset allocation strategy.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2 AND 44-04-18.4(6)(b) TO DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS.

AYES: TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, COMMISSIONER HERINGER, MR. MORRISSETTE, DR. SIMLAI, DR. LECH, MR. MILLER, SEN. KLEIN, MR. MICKELSON, AND LT. GOV. MILLER
NAYS: NONE
ABSENT: REP. BOSCH AND MS. SISK
MOTION CARRIED

The executive session started at 11:00 a.m. and ended at 11:10 a.m. The session was attended by Board members, staff, and Mr. DePountis.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE PROCUREMENT OF THE VENDOR MOST SUSCEPTIBLE TO AWARD.

AYES: MR. MORRISSETTE, MR. MILLER, SEN. KLEIN, MR. MICKELSON, DR. LECH, MR. JAHNER, MR. THOMPSON, DR. SIMLAI, COMMISSIONER HERINGER, TREASURER BEADLE, AND LT. GOV. MILLER
NAYS: NONE
ABSENT: REP. BOSCH AND MS. SISK
MOTION CARRIED

Governance and Policy Review (GPR) Committee Update:

Dr. Lech provided an update from the September 10, 2024, GPR Committee meeting. The overarching theme of the last meeting focused on open and exempt records, particularly in relation to investment data. The GPR committee emphasized the appreciation for staff's commitment to transparency, while also exploring ways to continuously improve by reviewing other states' practices. After evaluating various models, the committee leaned toward adopting a "list model," like Texas, for clarity on what is public and confidential. Additionally, the discussion extended to how board members access confidential information, with the committee agreeing that a formal policy is needed, and Weaver was recommended to draft this policy for review. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO APPROVE AMENDMENTS TO THE AUDIT COMMITTEE AND INTERNAL AUDIT PROGRAM CHARTERS.

AYES: SEN. KLEIN, COMMISSIONER HERINGER, DR. LECH, MR. MILLER, TREASURER BEADLE, DR. SIMLAI, MR. MICKELSON, MR. JAHNER, MR. THOMPSON, MR. MORRISSETTE, AND LT. GOV. MILLER
NAYS: NONE
ABSENT: REP. BOSCH AND MS. SISK
MOTION CARRIED

Audit Committee Update:

Treasurer Beadle provided an update from the August 14, 2024, meeting. The Committee reviewed and approved the year-end audit activities and audit charters, which had been developed in consultation with Weaver. Weaver also provided updates on the internal audit maturity process, focusing on enhancing staff capabilities for effective auditing. A key discussion point was the current staffing limitations in the internal audit team, which consists of only two FTEs. The committee is considering using external consulting to address these gaps and may propose additional staffing in the next legislative session to strengthen internal audit capacity. Board discussion followed.

Securities Litigation Committee (SLC) Update:

Commissioner Heringer provided an update from the September 19, 2024, SLC meeting. The SLC completed committee elections and their annual review of the committee charter. The SLC received case updates on

pending litigation and a securities litigation monitoring report. The committee discussed the process for responding to inquiries from securities litigation firms regarding litigation participation opportunities. Board discussion followed.

QUARTERLY MONITORING REPORTS:

Executive Limitations/Staff Relations:

Ms. Murtha provided the Executive Limitations/Staff Relations Report. Ms. Murtha reviewed the status of current staffing activities and current projects and initiatives. RIO staff attended an all-staff training on Monday September 23, 2024, which focused on building engagement and addressing work-life balance to prevent burnout, as identified in the strategic planning process. The team received "Working Genius" training, which helped them understand how to structure meetings more effectively and the need to identify the purpose and goals of those meetings to reduce frustration. Additionally, the team participated in creating self-care kits, funded by a wellness grant from PERS. Ms. Murtha provided an update on the Attorney General opinion from earlier this year. The request is still pending; however, it has sparked further inquiries from some legislators, prompting outreach to RIO and the Governor's Office. Lt. Gov. Miller and staff from the Governor's Office have been instrumental in coordinating discussions. Board discussion followed.

Annual Technology Report:

Ms. Blumhagen provided an update on information technology (IT) activities for RIO over the past year. The review included agency collaboration activities, large IT project updates, and security incidents statewide and training activities completed by RIO staff. Board discussion followed.

Annual Internal Audit Activities:

Ms. Thorsen provided the Annual Audit Committee Activities report for the fiscal year (FY) ended June 30, 2024. The report provided an overview of all IA activities including the IA Maturity Development Process Review and the TFFR Pioneer Project. Ms. Thorsen reviewed completed audits and administrative activities of the IA staff. Board discussion followed.

Quarterly Budget/Fiscal Conditions Report:

Mr. Skor provided an update on budget and fiscal conditions for the quarter ended June 30, 2024. The report included budget appropriation status, an expenditure summary, and the status of the pension administration system project. Staff have been working closely with the external auditors to complete the financial audit for FY 2024. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE EXECUTIVE LIMITATIONS/STAFF RELATIONS, ANNUAL TECHNOLOGY, ANNUAL IA ACTIVITIES, AND QUARTERLY BUDGET/FISCAL CONDITIONS REPORTS.

AYES: DR. SIMLAI, TREASURER BEADLE, COMMISSIONER HERINGER, SEN. KLEIN, MR. THOMPSON, DR. LECH, MR. JAHNER, MR. MORRISSETTE, MR. MICKELSON, MR. MILLER, AND LT. GOV. MILLER
NAYS: NONE

ABSENT: REP. BOSCH AND MS. SISK
MOTION CARRIED

ADJOURNMENT:

With no further business to come before the SIB, Lt. Gov. Miller adjourned the meeting at 11:57 a.m.

Prepared by: Missy Kopp, Assistant to the Board

FIXED INCOME PRIMER

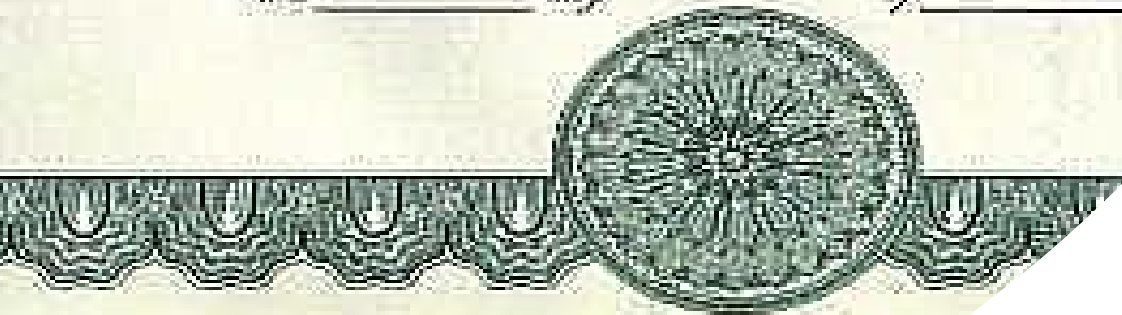
October 25, 2024

BOND YIELDS COMPENSATE RISKS



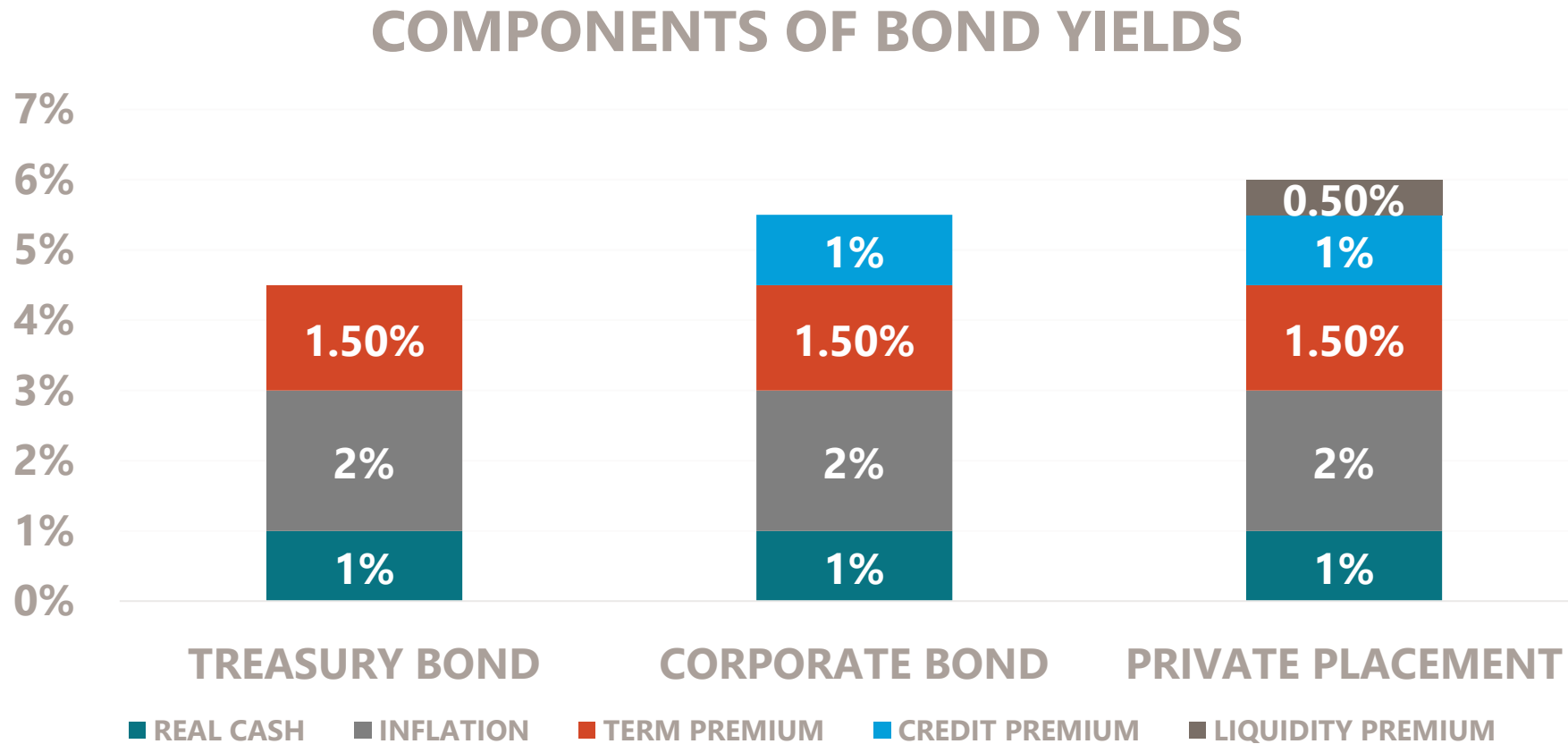
CORPORATE BOND

*In Witness Whereof, the said Corporation has caused this Certificate to be
by its duly authorized officers and its Corporate Seal to be hereunto
this _____ day of _____ A.D.*



BONDS PAY A
REGULAR
COUPON (%
Yield) AND
RETURN
PRINCIPAL

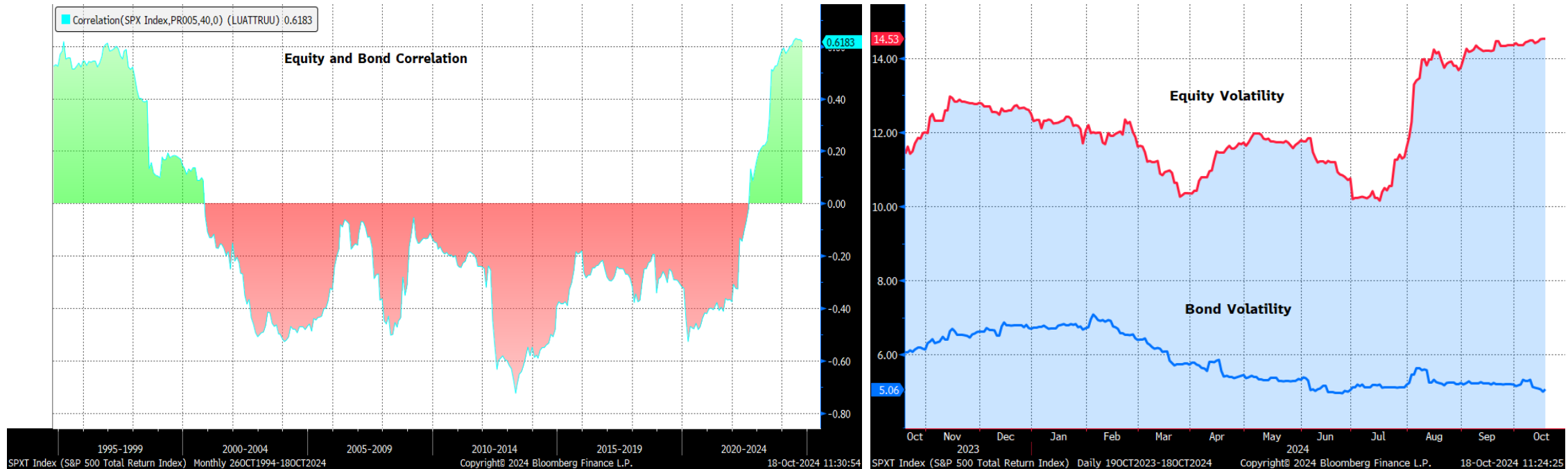
BOND RISK COMPENSATE RISKS



RISKS ASSOCIATED WITH FIXED INCOME SECURITIES

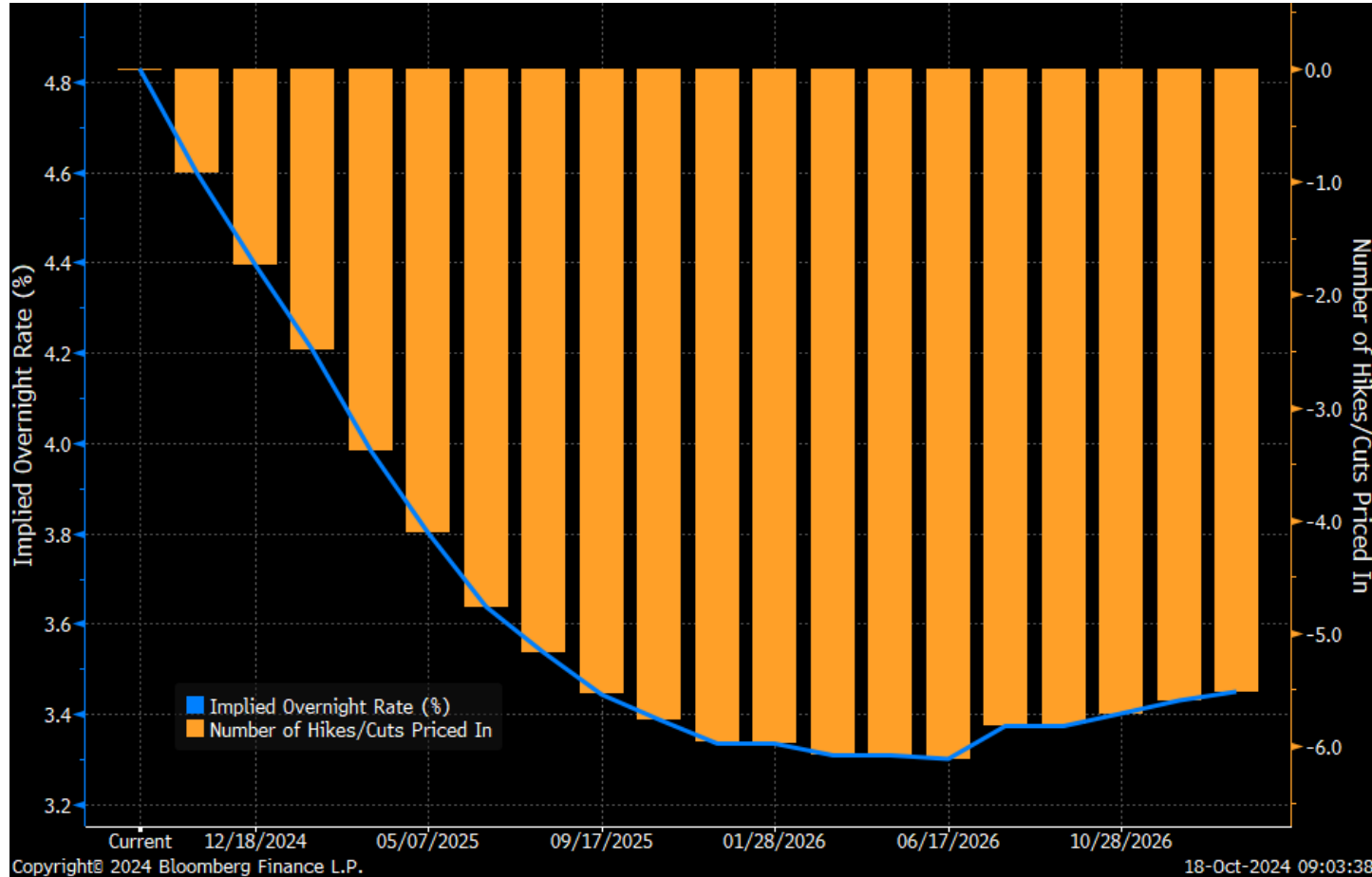
- **Interest Rate Risk:** The risk that rising interest rates will decrease bond prices.
- **Credit Risk:** The risk that the issuer may default on payments.
- **Inflation Risk:** The risk that inflation will erode purchasing power.
- **Liquidity Risk:** The risk that the bond cannot be sold quickly without a loss in value.

OPPORTUNITIES ASSOCIATED WITH FIXED INCOME SECURITIES



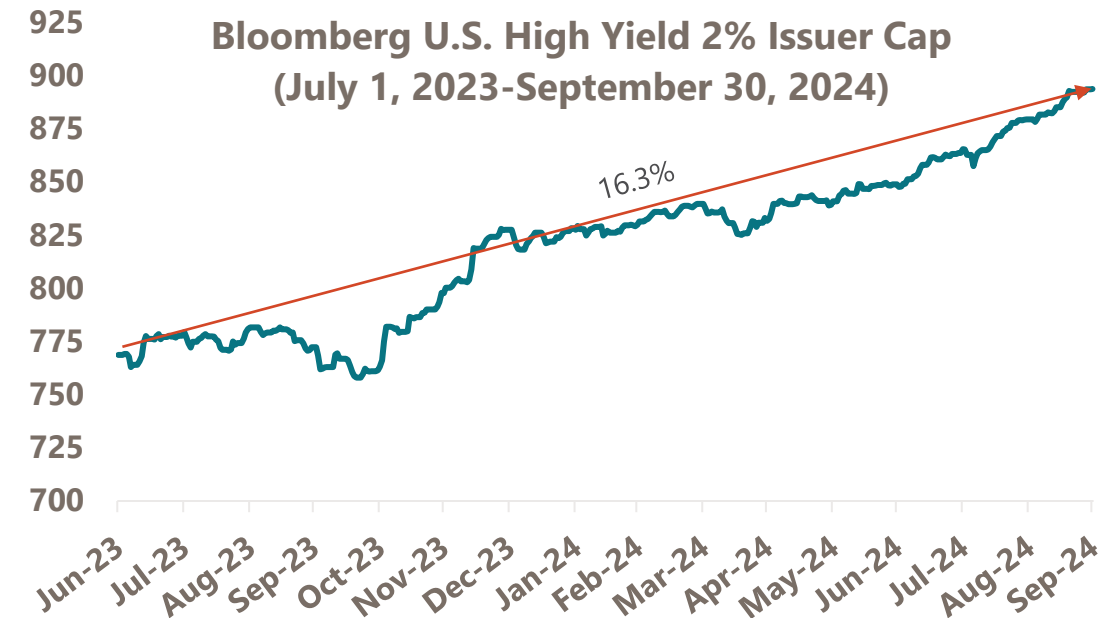
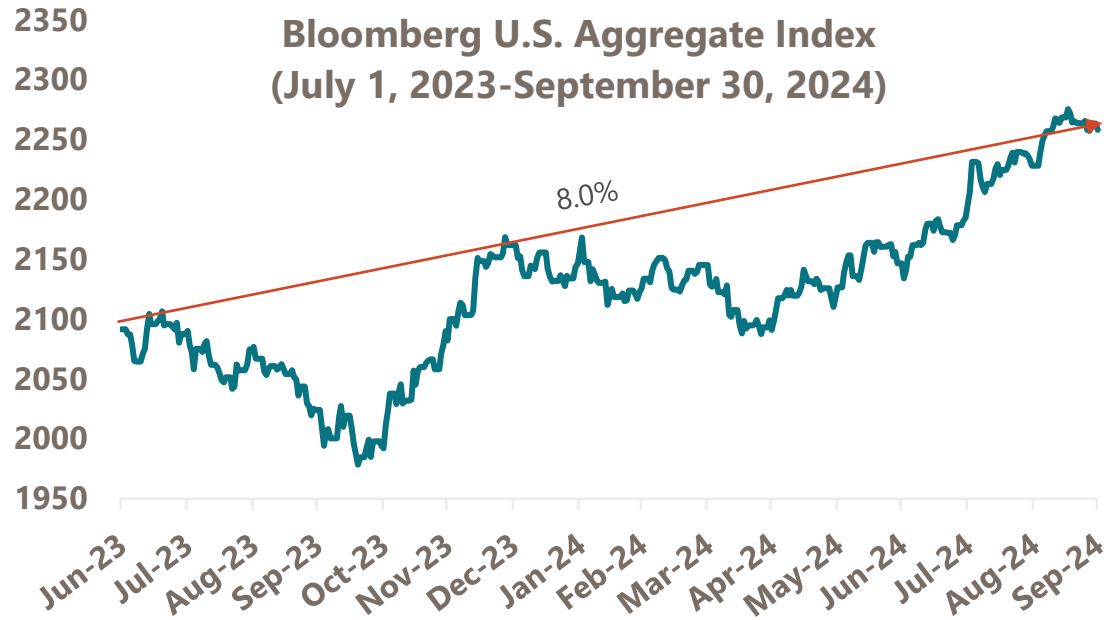
- Diversification benefit:** Equity and Bond correlation tends to be low and often negative providing diversification to the investment portfolio.
- Lower volatility:** Fixed Income's lower volatility relative to Equity helps with preserving wealth and controlling downside in times of market stress.

FED CUTTING RATES AGGRESSIVELY TO AVOID RECESSION



- Federal Reserve expected to cut rates from 5% to 3.5% by end of 2025.
- Economy is expected to cool down which would help bring down inflation closer to the target of 2%.
- US Dollar has been expensive for over a decade. Likely to correct if Fed rate cuts more than other Central Banks.

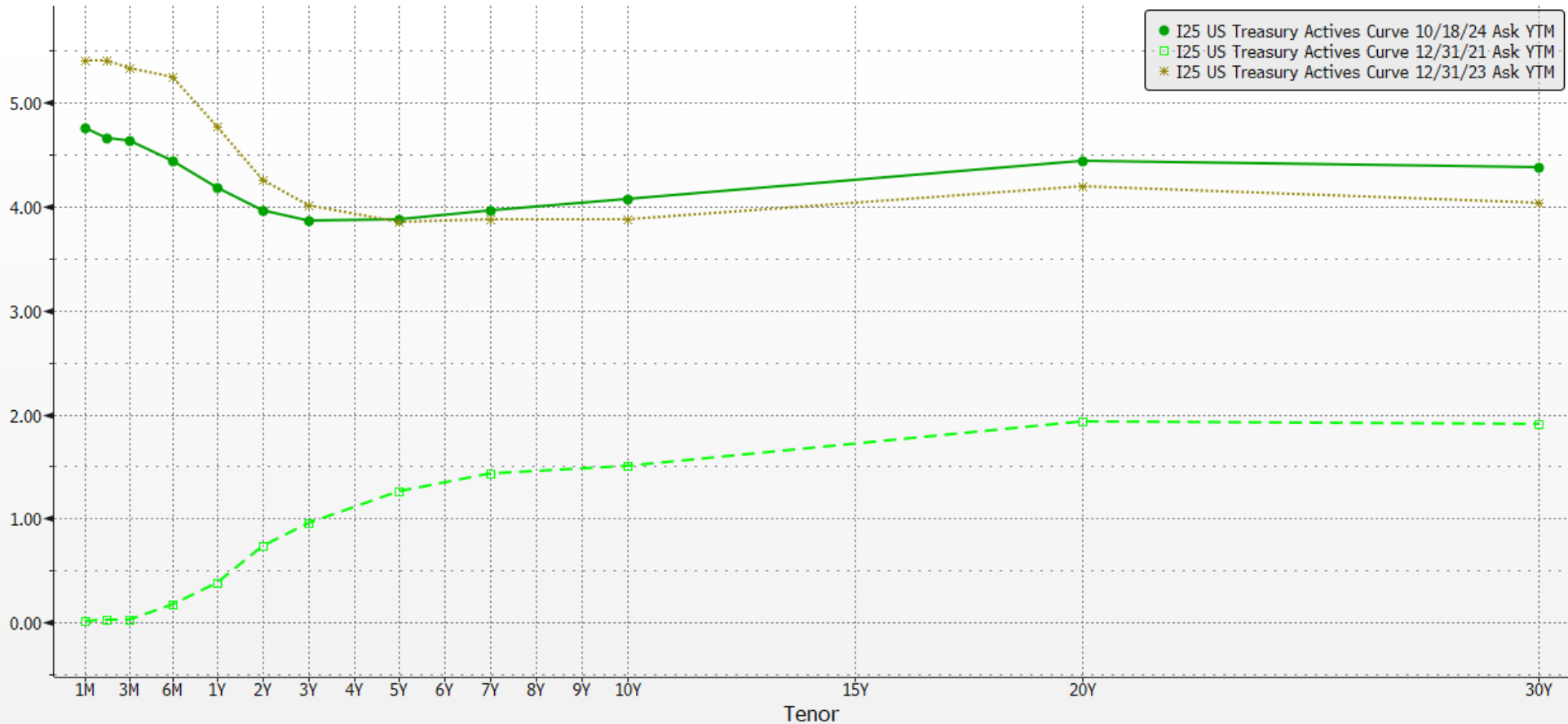
FIXED INCOME MARKETS – U.S.



- YTD Performance:
 - Bloomberg US Aggregate: +4.4%
 - Bloomberg US High Yield 2% Issuer Constrained: +8.0%

Performance through September 30, 2024

FIXED INCOME – US TREASURY YIELD CURVE

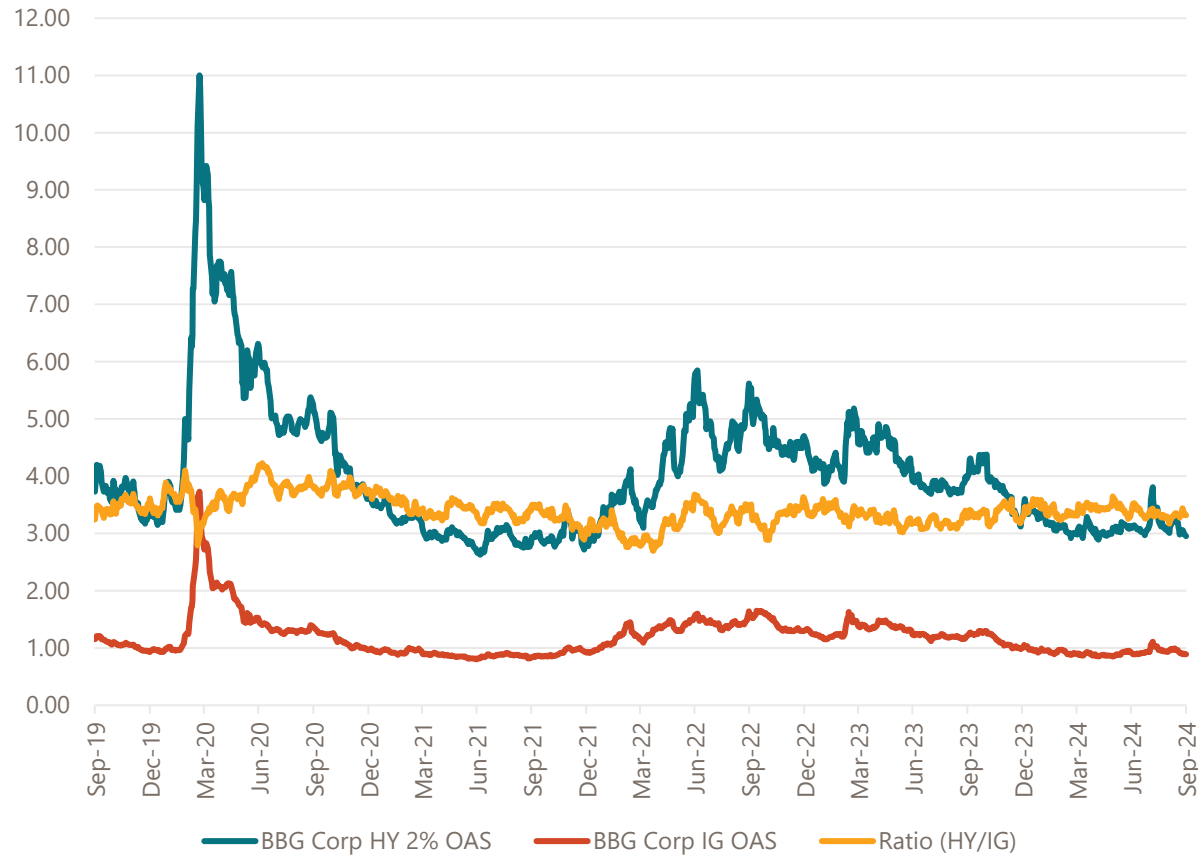


- End of low-interest rate regime since end of 2021.
- 2s10s no longer inverted as curve continued to steepen this year.
- Higher yields are good news for future returns.
- Yield on Bond used as a proxy of return over the corresponding period.

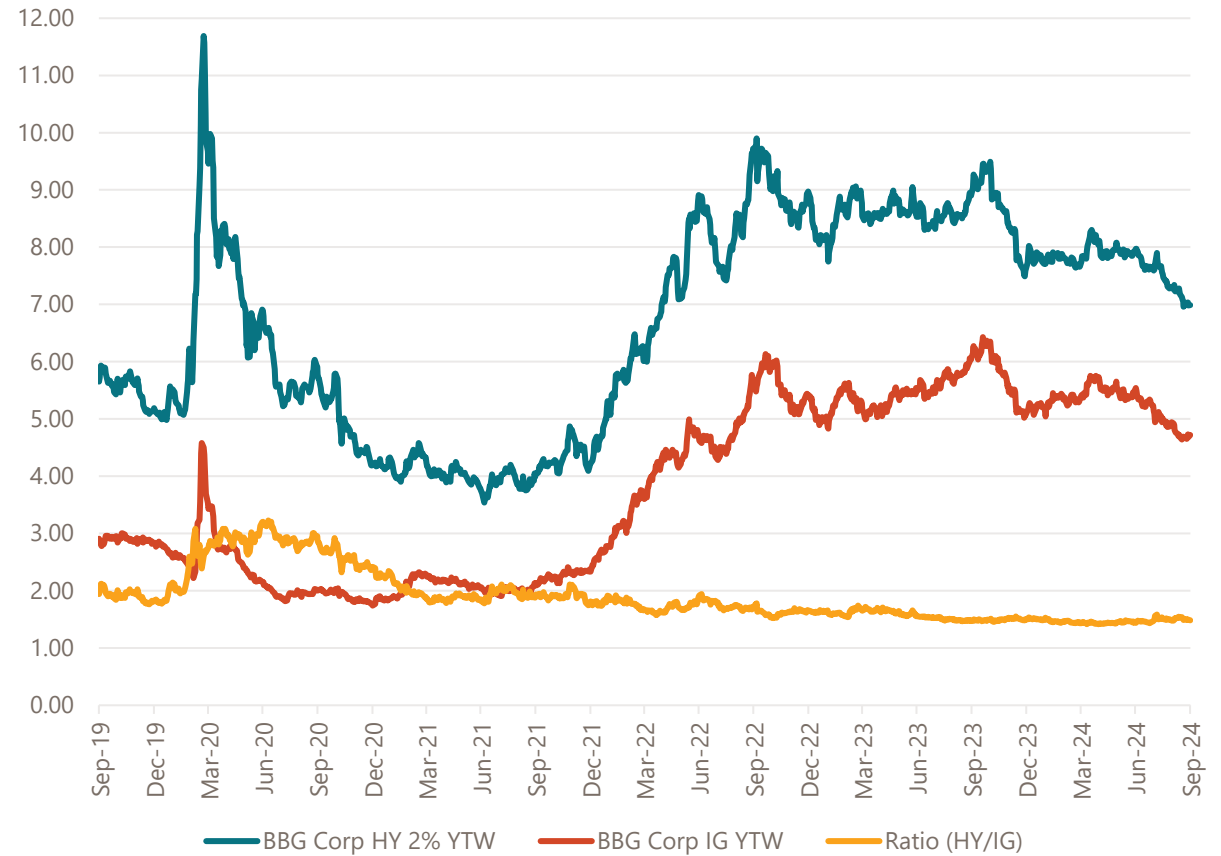


FIXED INCOME – CORPORATE HY AND IG OAS AND YTW

Bloomberg HY and IG: Option Adjusted Spread



Bloomberg HY and IG: Yield-to-Worst



*The Bloomberg US Corporate IG Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.

** BBG Corp IG OAD = ~7.1 and BBG Corp HY 2% OAD = ~3.0

CURRENT TRENDS IN FIXED INCOME MARKETS

- **Interest Rate Environment:** Expecting the Federal Reserve to lower rates. This is likely to lead to a normal curve with longer maturity bonds offer higher yields than shorter maturity bonds.
- **Inflation Concerns:** Inflation is expected to converge back towards Fed target of closer to 2%. However, the risk is that inflation stays high hurting the purchasing power of the consumers.
- **Fair value:** US Treasury yields are closer to fair value while the Corporate Bonds premium to Treasuries look expensive.
- **US Debt and Deficit:** There are concerns about rising US Debt and its impact on demand for Treasury yields and interest rates. We don't see it as a material threat in the near future.
- **Volatility:** Volatility low, expected to be higher with US election, economic and Geopolitical uncertainty.

INVESTMENT PERFORMANCE

Scott M. Anderson, CFA – Chief Investment Officer

October 25, 2024



Retirement & Investment

THE MARKET

NORTH
Dakota
Be Legendary.

Retirement & Investment

PERFORMANCE – BENCHMARK INDICES

Summary of Returns June 30, 2024					
Benchmark Indices (% change, annualized)	YTD	1 Yr	5 Yr	10 Yr	10 Yr Volatility
Russell 1000	14.2%	23.8%	14.6%	12.5%	17.9%
Russell 2000	1.7%	10.0%	6.9%	7.0%	22.6%
S&P 500	15.3%	24.5%	15.0%	12.8%	17.7%
MSCI ACWI IMI Net	10.3%	18.3%	10.3%	8.2%	14.3%
MSCI World ex US	5.0%	11.2%	6.5%	4.3%	14.4%
MSCI Emerging Markets	7.5%	12.5%	3.1%	2.8%	15.7%
Bloomberg Aggregate	-0.7%	2.6%	-0.2%	1.3%	4.7%
Bloomberg Gov/Credit	-0.7%	2.7%	-0.1%	1.5%	5.0%
Bloomberg US High Yield	2.6%	10.4%	3.9%	4.3%	5.2%
NCREIF Property Index (06/30/2024)	-1.2%	-5.5%	3.4%	6.1%	4.1%

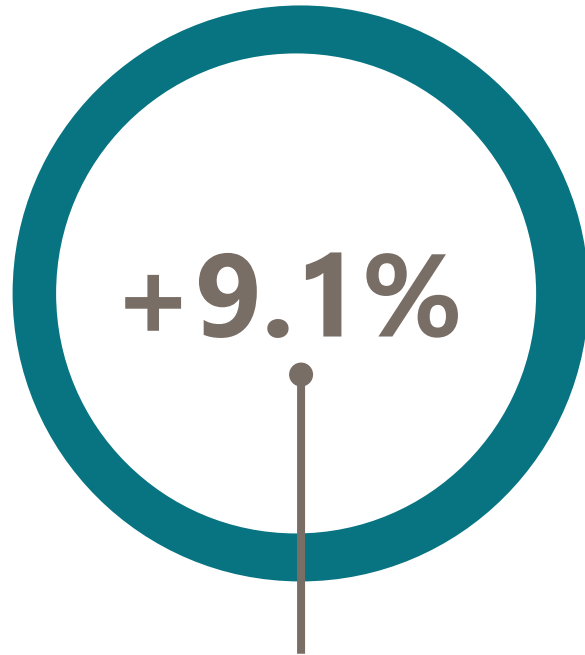
Source: Bloomberg

PERFORMANCE – BENCHMARK INDICES

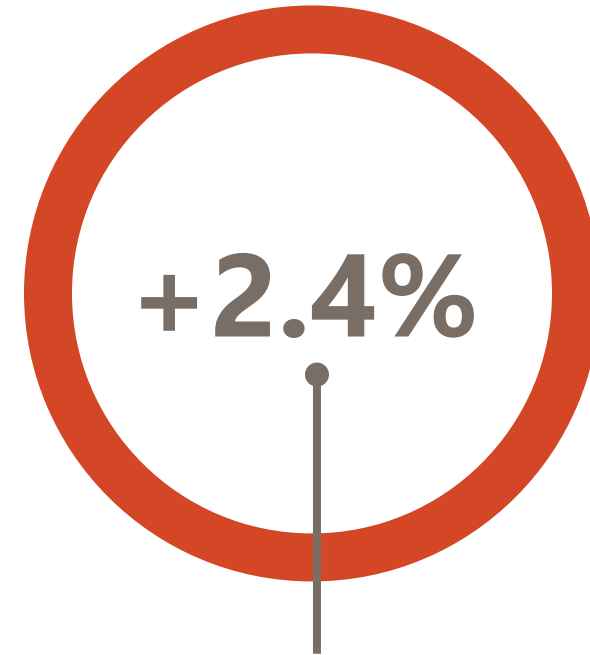
Summary of Returns October 16, 2024					
Benchmark Indices (% change, annualized)	YTD	1 Yr	5 Yr	10 Yr	10 Yr Volatility
Russell 1000	23.1%	35.2%	15.9%	13.9%	18.0%
Russell 2000	14.0%	32.7%	9.9%	9.2%	22.8%
S&P 500	23.8%	35.4%	16.2%	14.2%	17.8%
MSCI ACWI IMI Net	17.9%	30.1%	11.7%	9.9%	14.4%
MSCI World ex US	10.1%	22.5%	7.5%	6.2%	14.5%
MSCI Emerging Markets	14.2%	23.9%	4.8%	4.1%	15.9%
Bloomberg Aggregate	3.4%	11.2%	0.2%	1.6%	4.7%
Bloomberg Gov/Credit	3.4%	10.9%	0.3%	1.7%	5.0%
Bloomberg US High Yield	7.9%	16.5%	4.7%	5.1%	5.2%
NCREIF Property Index (06/30/2024)	-1.2%	-5.5%	3.4%	6.1%	4.1%

Source: Bloomberg

HAS INFLATION PEAKED?¹



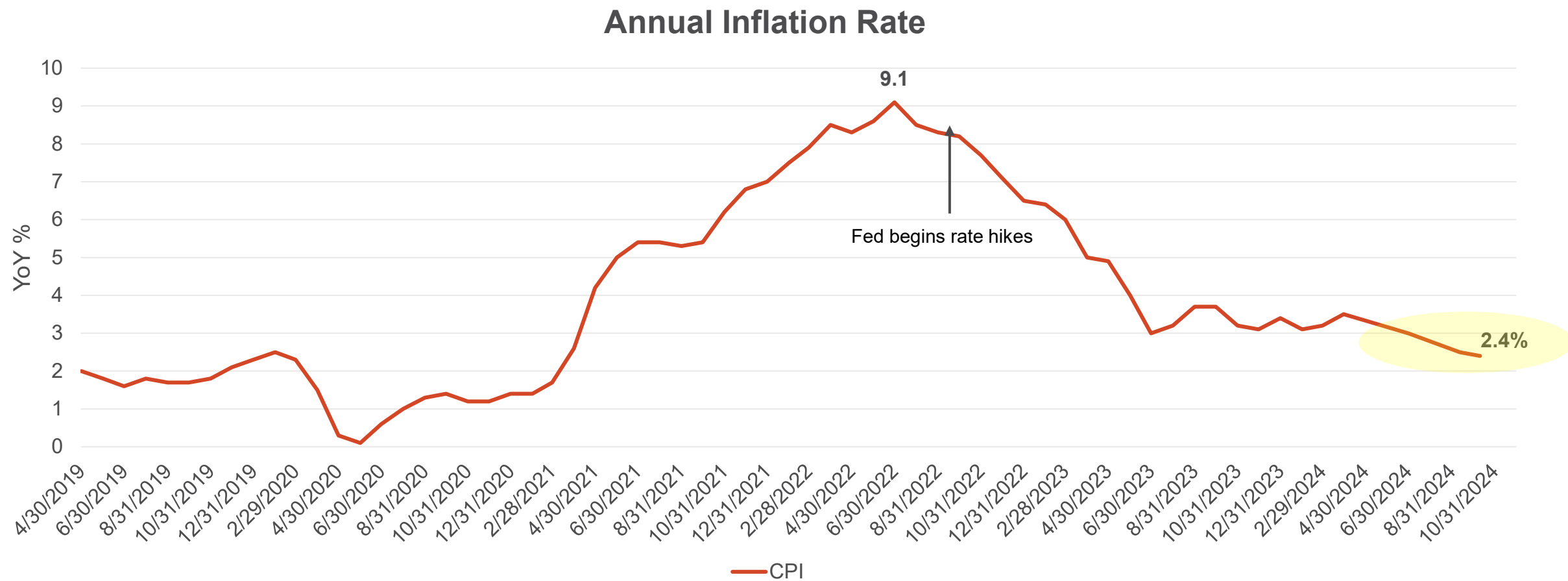
ANNUAL INFLATION RATE
(June 2021 thru June 2022)



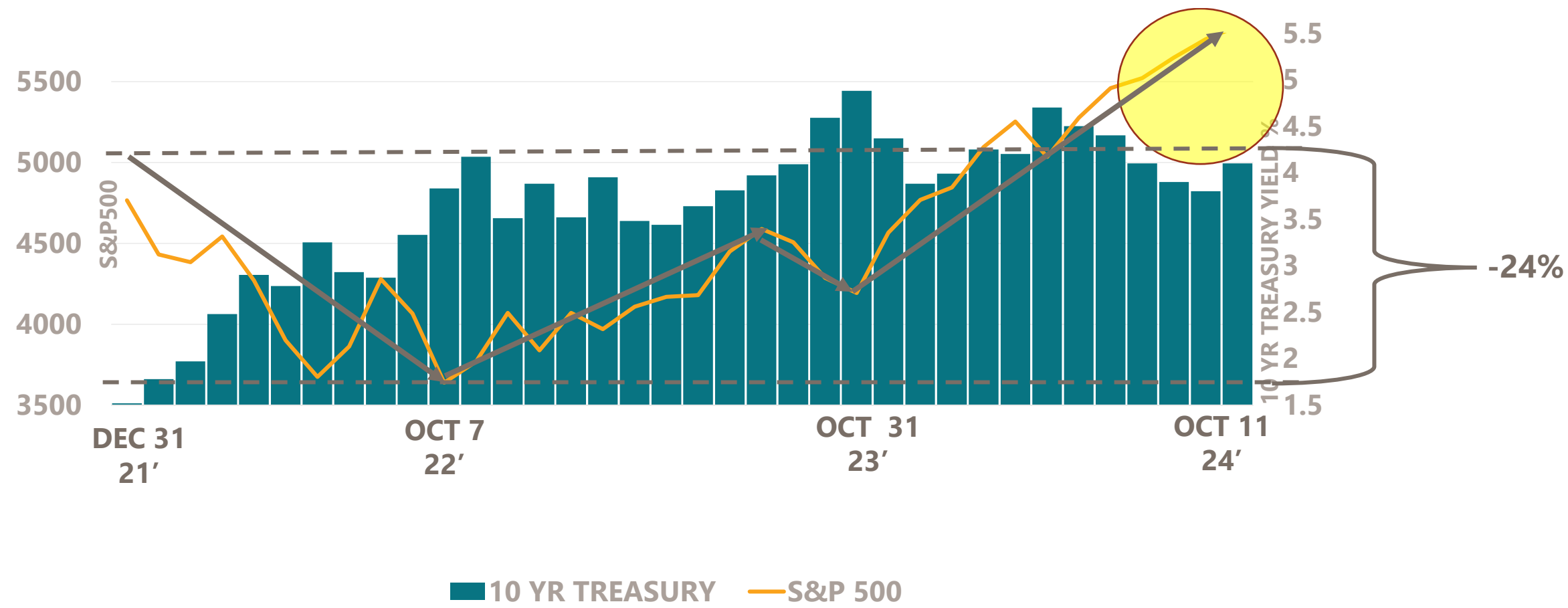
ANNUAL INFLATION RATE
(September 2023 thru September 2024)
3.3% Ex Food & Energy

1. Bureau of Labor Statistics

INFLATION PAST 5 YEARS

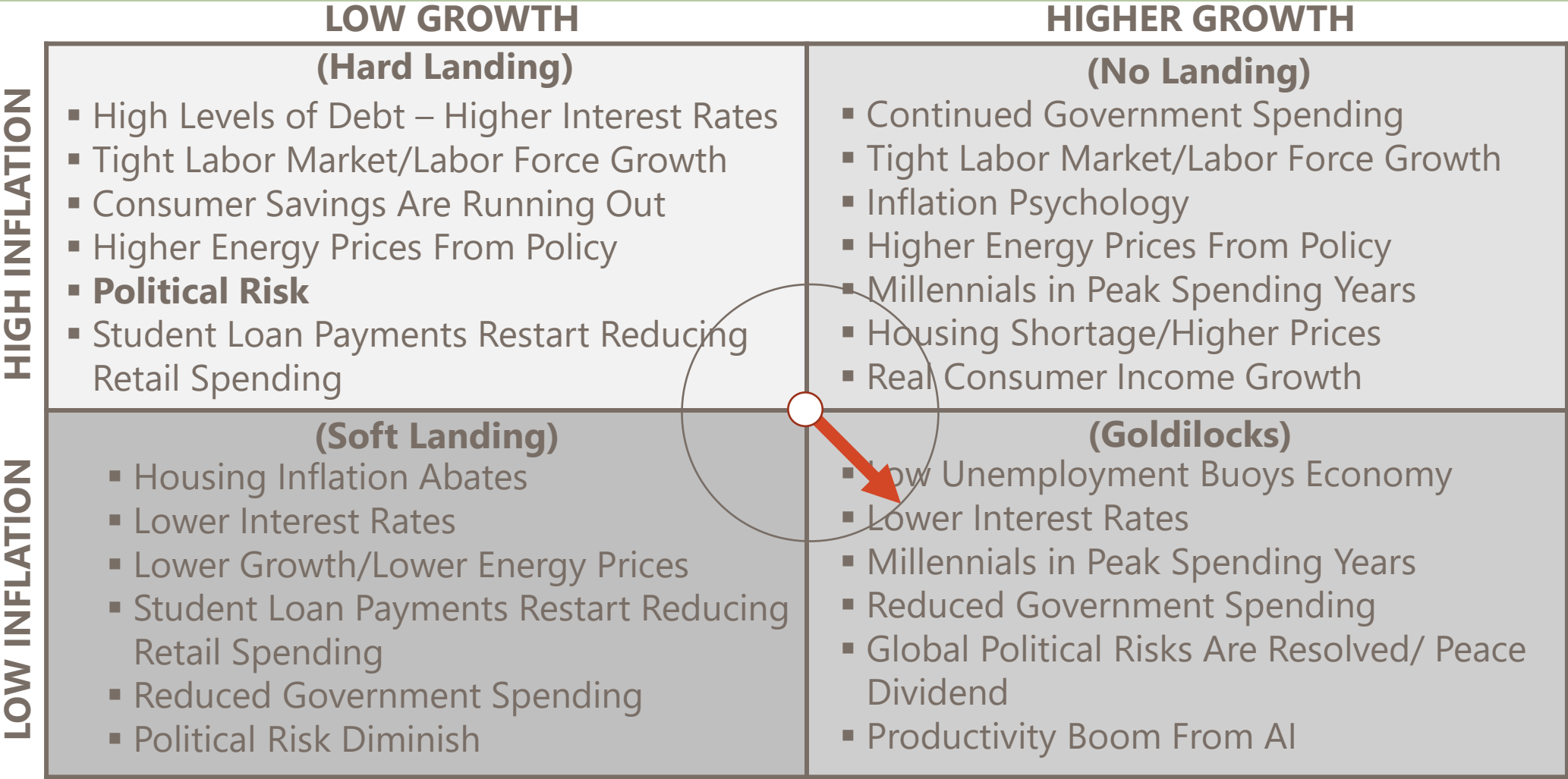


INFLATION EXPECTATIONS TRACKED BY S&P500¹



1. FRED

COMPETING NARRATIVES



GOOD NEWS¹

BLOOMBERG AGG YIELD¹: 4.45%



**BEST GUESS FOR
FUTURE BOND
RETURN!**

1. Fixed income benchmark; yields are the best estimate of future bond returns.

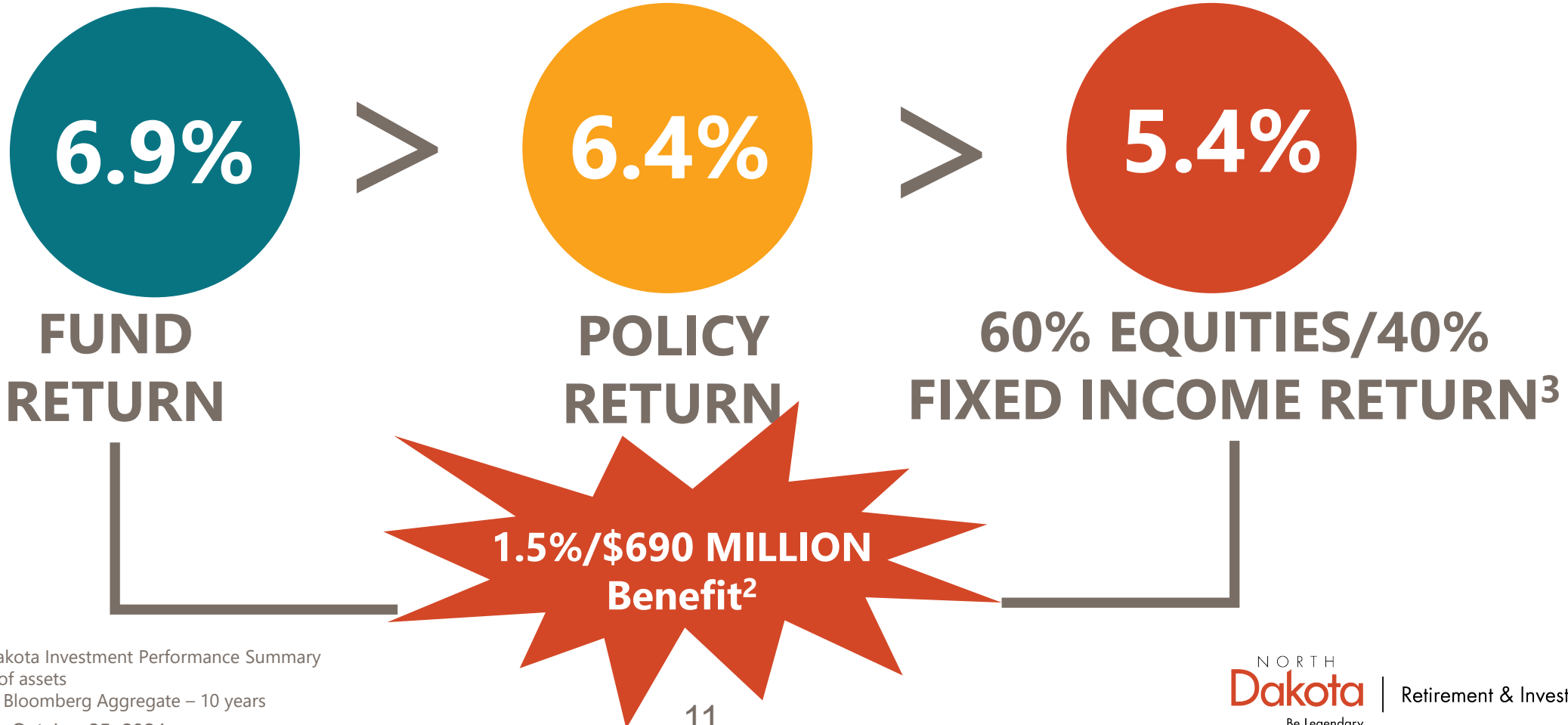
PERFORMANCE

NORTH
Dakota
Be Legendary.

Retirement & Investment

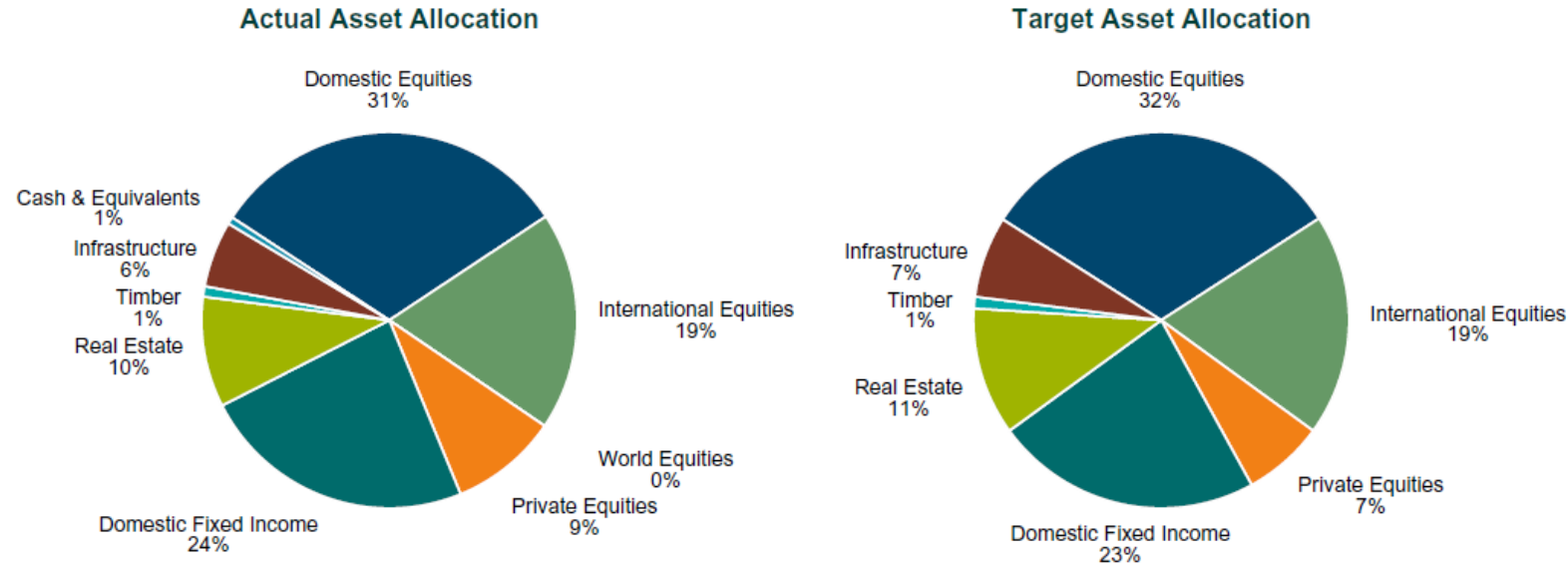
PERS INVESTMENT MANAGEMENT BENEFITS

PERS TEN YEAR AVERAGE RETURN¹



1. Thru June 2024; North Dakota Investment Performance Summary
2. Starting with \$4.3 Billion of assets
3. 60% MSCI ACW IMI/40% Bloomberg Aggregate – 10 years
Scott M Anderson, CFA – October 25, 2024

PERS ASSET ALLOCATION



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equities	1,366,412	31.5%	31.9%	(0.4%)	(17,719)
International Equities	817,574	18.8%	19.1%	(0.3%)	(13,149)
World Equities	28	0.0%	0.0%	0.0%	28
Private Equities	402,684	9.3%	7.0%	2.3%	98,685
Domestic Fixed Income	1,028,962	23.7%	23.0%	0.7%	30,106
Real Estate	412,956	9.5%	11.0%	(1.5%)	(64,757)
Timber	37,381	0.9%	1.0%	(0.1%)	(5,992)
Infrastructure	249,053	5.7%	7.0%	(1.3%)	(55,003)
Cash & Equivalents	27,801	0.6%	0.0%	0.6%	27,801
Total	4,342,851	100.0%	100.0%		

1. June 2024 values – Callan

PERS PERFORMANCE

AS OF June 30, 2024 PERS \$4.3 Billion	Year to Date	1 Year	3 year	5 Year ¹	Risk (5 Year)
Total Fund Return - Net	5.1%	9.0%	3.2%	7.6%	9.9%
Policy Benchmark Return	5.3%	9.4%	3.0%	7.2%	10.2%
Total Relative Return ¹	-0.2%	-0.4%	0.2%	0.4%	

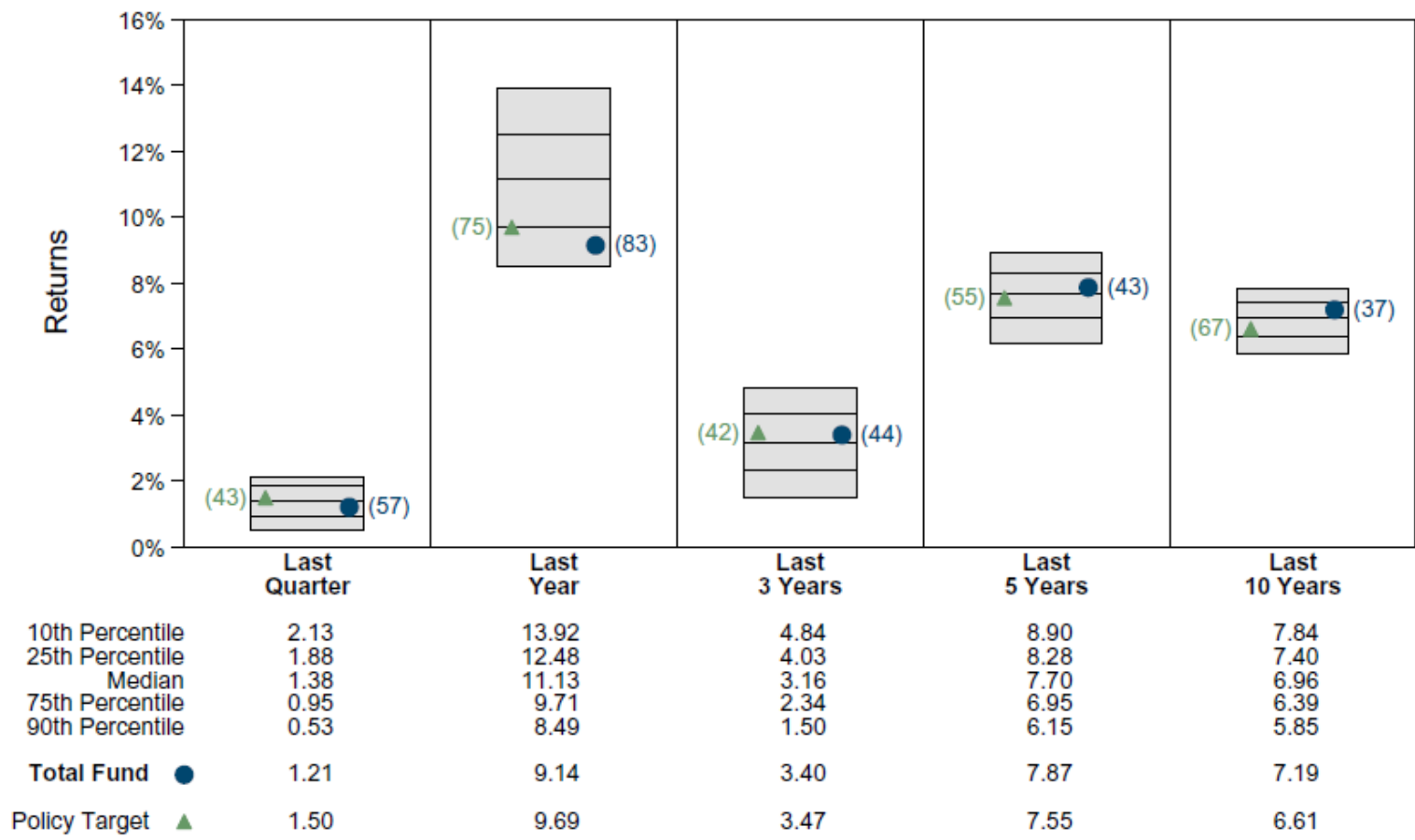
1. Corridor benchmark applied only in year-to-date numbers

PERS BY YEAR PERFORMANCE

PERS \$4.3 Billion – June 30, 2024	Year to				
	Date	23'	22'	21'	20'
Total Fund Return - Net	5.1%	11.0%	-10.9%	16.7%	12.2%
Policy Benchmark Return	5.3%	10.9%	-11.2%	15.4%	11.7%
Total Relative Return ¹	-0.2%	0.1%	0.3%	1.3%	0.5%

PERS PERFORMANCE

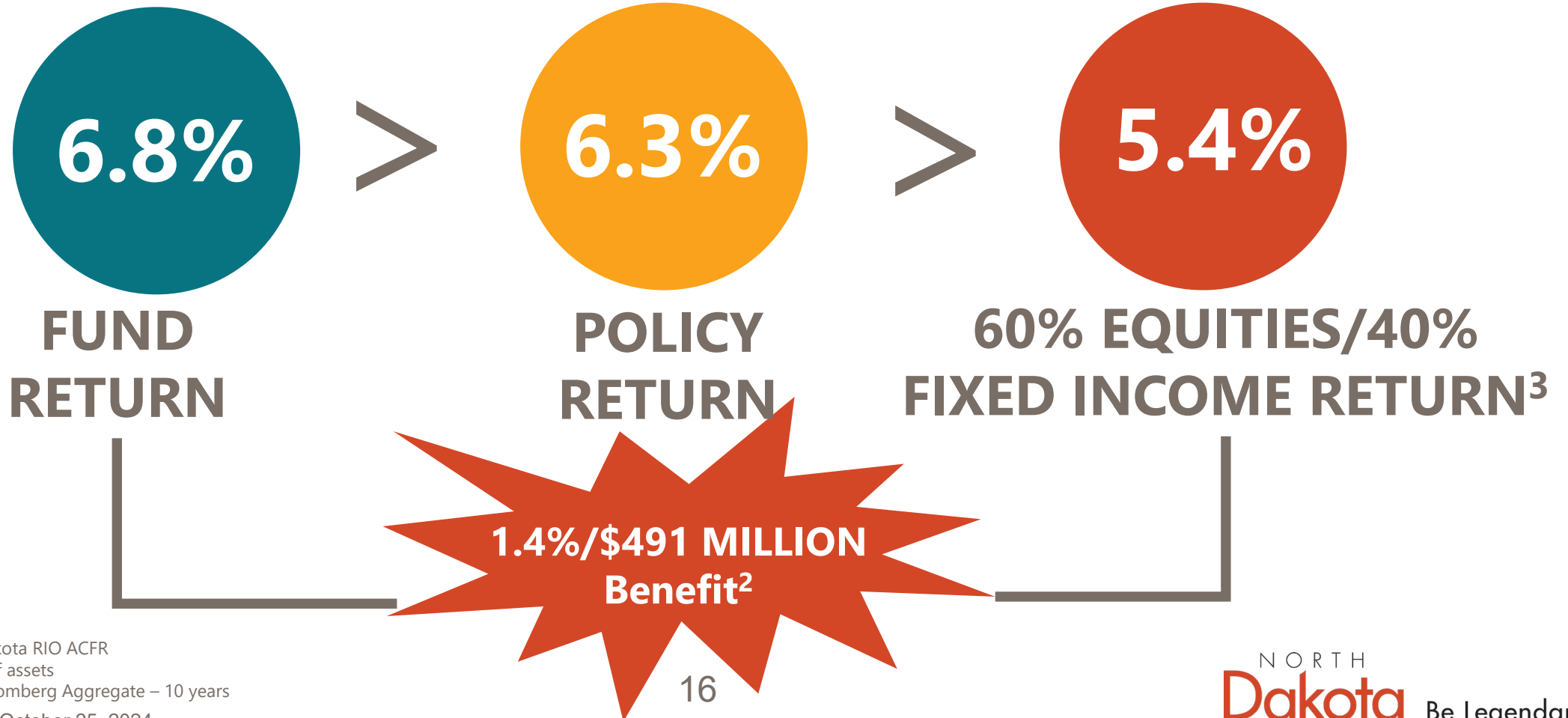
Callan Public Fund Sponsor Database



1. June 2024 values – Callan

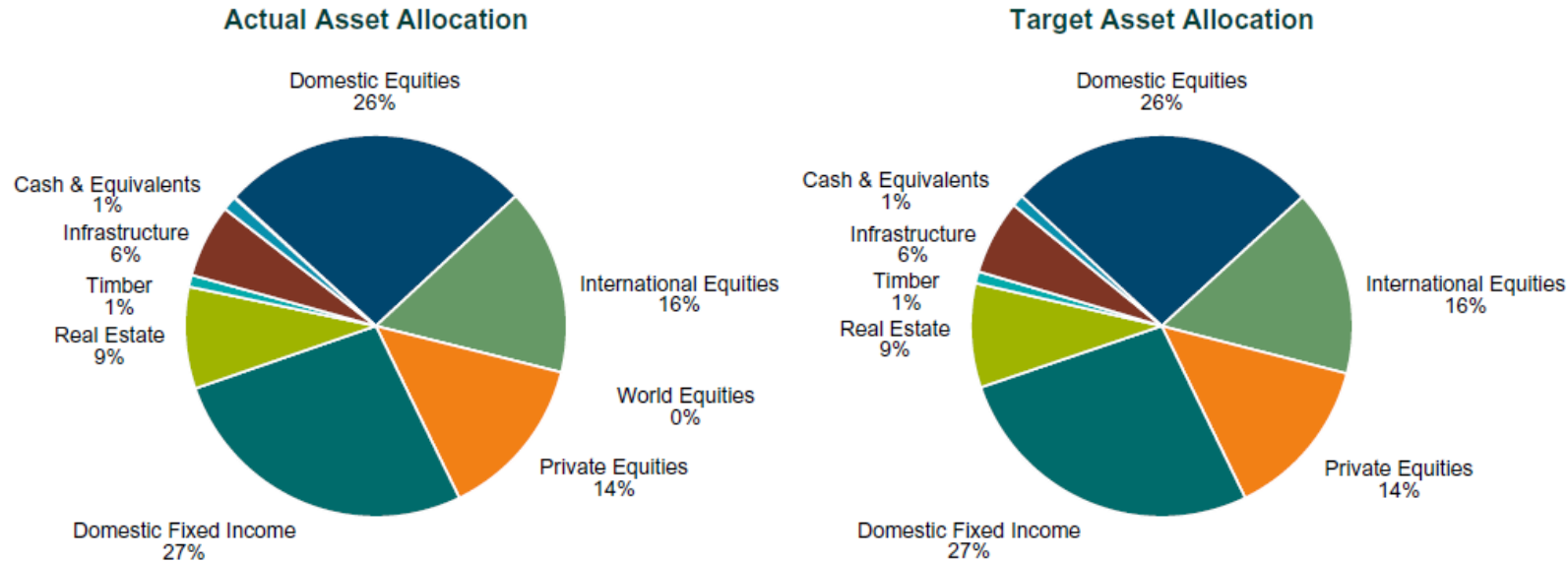
TFFR INVESTMENT MANAGEMENT BENEFITS

TFFR TEN YEAR AVERAGE RETURN¹



1. Thru June 2024; North Dakota RIO ACFR
2. Starting with \$3.3 Billion of assets
3. 60% MSCI World/40% Bloomberg Aggregate – 10 years
Scott M Anderson, CFA – October 25, 2024

TFFR ASSET ALLOCATION



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equities	865,928	26.3%	26.4%	(0.1%)	(1,821)
International Equities	520,032	15.8%	15.8%	(0.0%)	(771)
World Equities	255	0.0%	0.0%	0.0%	255
Private Equities	456,805	13.9%	13.8%	0.1%	4,312
Domestic Fixed Income	885,992	26.9%	27.0%	(0.0%)	(1,079)
Real Estate	283,270	8.6%	8.8%	(0.1%)	(4,722)
Timber	33,367	1.0%	1.0%	(0.0%)	(243)
Infrastructure	204,024	6.2%	6.3%	(0.1%)	(2,929)
Cash & Equivalents	39,894	1.2%	1.0%	0.2%	6,999
Total	3,289,567	100.0%	100.0%		

1. June 2024 values – Callan

TFFR PERFORMANCE

AS OF June 30, 2024 TFFR \$3.3 Billion	Year to Date	1 Year	3 year	5 Year ¹	Risk (5 Year)
Total Fund Return - Net	4.6%	8.1%	2.9%	7.4%	9.5%
Policy Benchmark Return	4.8%	8.4%	2.8%	6.9%	9.9%
Total Relative Return ¹	-0.2%	-0.3%	0.1%	0.5%	

1. Corridor benchmark applied only in year-to-date numbers

TFFR BY YEAR PERFORMANCE

TFFR \$3.3 Billion – June 30, 2024	Year to Date	23'	22'	21'	20'
Total Fund Return - Net	4.6%	10.3%	-10.5%	16.2%	12.1%
Policy Benchmark Return	4.8%	10.0%	-10.6%	15.1%	11.4%
Total Relative Return ¹	-0.2%	0.3%	0.1%	1.1%	0.7%

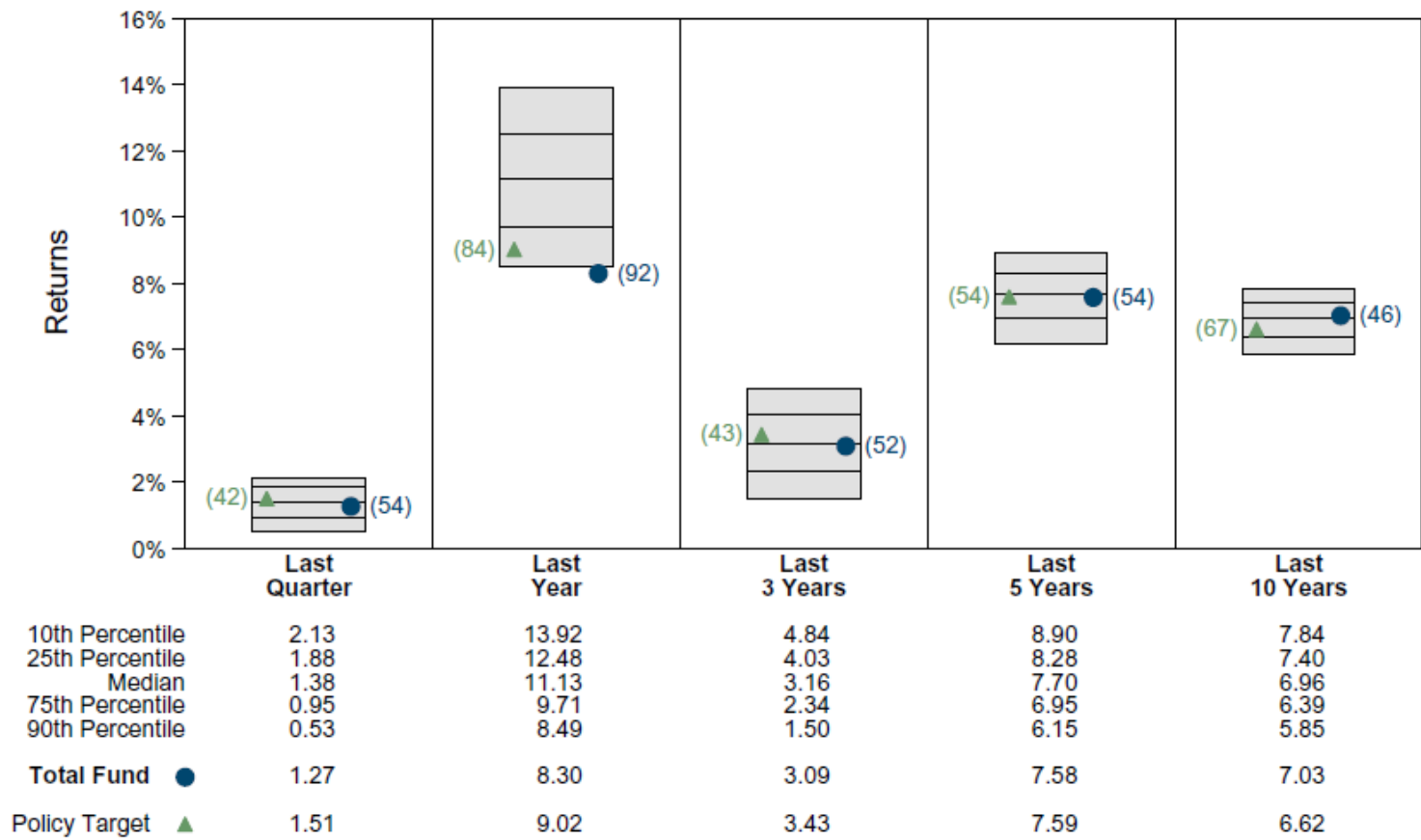
PENSION COMPOSITE PERFORMANCE

PENSION COMPOSITE ¹ \$7.9 Billion – June 30, 2024	Year to				
	Date	23'	22'	21'	20'
Total Fund Return - Net	5.0%	10.7%	-10.7%	16.4%	12.1%
Policy Benchmark Return	5.0%	10.6%	-10.9%	15.2%	11.6%
Total Relative Return ¹	0.0%	0.1%	0.2%	1.2%	0.5%

1. PERS, TFFR, Bismarck, Employees, Bismarck Police, Grand Forks, Grand Forks Parks, Job Service

TFFR PERFORMANCE

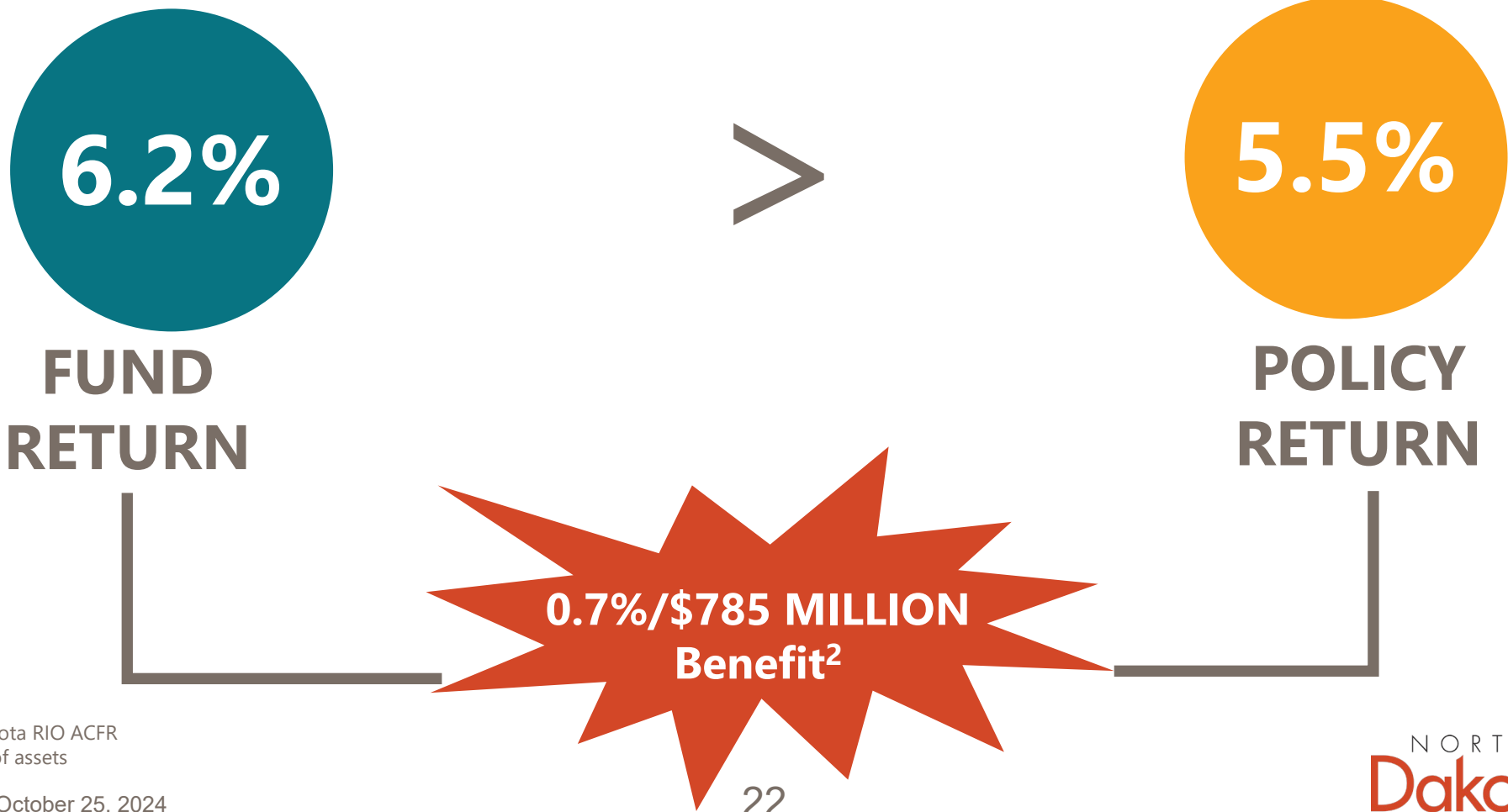
Callan Public Fund Sponsor Database



1. June 2024 values – Callan

LEGACY INVESTMENT MANAGEMENT BENEFITS

LEGACY TEN YEAR AVERAGE RETURN¹



1. Thru June 2024; North Dakota RIO ACFR
2. Starting with \$10.8 Billion of assets

LEGACY ASSET ALLOCATION



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap	3,442,417	31.6%	23.4%	8.3%	899,497
Small Cap	179,553	1.7%	4.1%	(2.5%)	(269,198)
International Equity	2,518,018	23.1%	19.0%	4.1%	451,046
Transition Account	45	0.0%	0.0%	0.0%	45
Private Equity	44,294	0.4%	7.0%	(6.6%)	(717,222)
Global Fixed Income	3,280,187	30.2%	28.5%	1.7%	179,729
Diversified Real Assets	537,291	4.9%	5.0%	(0.1%)	(6,649)
Cash & Equivalents	48,440	0.4%	0.0%	0.4%	48,440
Real Estate	416,358	3.8%	5.0%	(1.2%)	(127,582)
Residual Holdings	1,743	0.0%	0.0%	0.0%	1,743
In-State Investments	410,455	3.8%	8.0%	(4.2%)	(459,849)
Total	10,878,800	100.0%	100.0%		

1. June 2024 values – Callan

LEGACY PERFORMANCE

AS OF June 30, 2024 LEGACY \$10.9 Billion	Year to Date	1 Year	3 year	5 Year ¹	Risk (5 Year)
Total Fund Return - Net	5.6%	10.9%	2.5%	6.6%	10.6%
Policy Benchmark Return	4.9%	9.8%	1.7%	5.8%	10.5%
Total Relative Return	0.7%	1.1%	0.8%	0.8%	

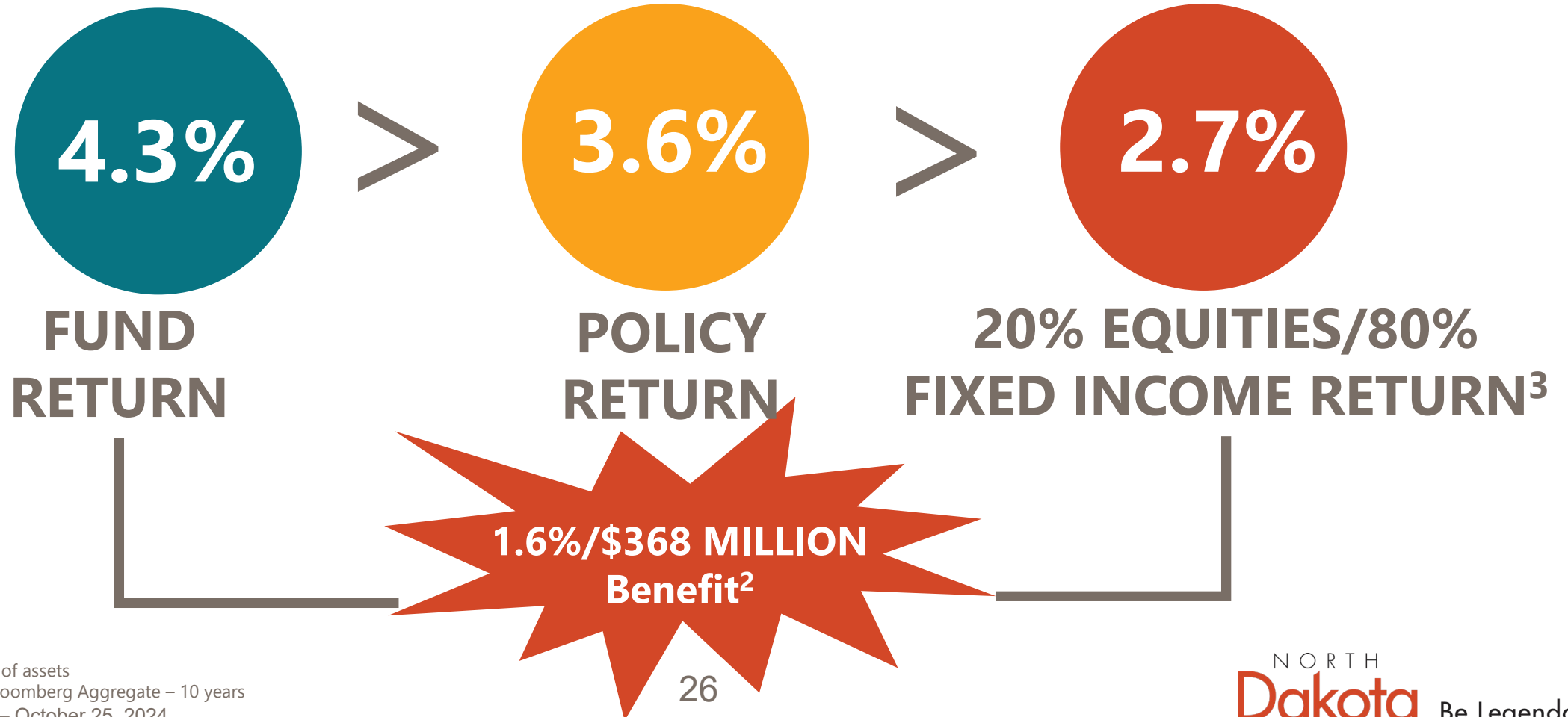
1. Corridor benchmark applied only in year-to-date numbers

LEGACY BY YEAR PERFORMANCE

LEGACY \$10.8 Billion – June 30, 2024	Year to Date	23'	22'	21'	20'
Total Fund Return - Net	5.6%	12.9%	-12.9%	11.3%	12.2%
Policy Benchmark Return	4.9%	11.7%	-13.4%	10.4%	12.1%
Total Relative Return ¹	0.7%	1.2%	0.5%	0.9%	0.1%

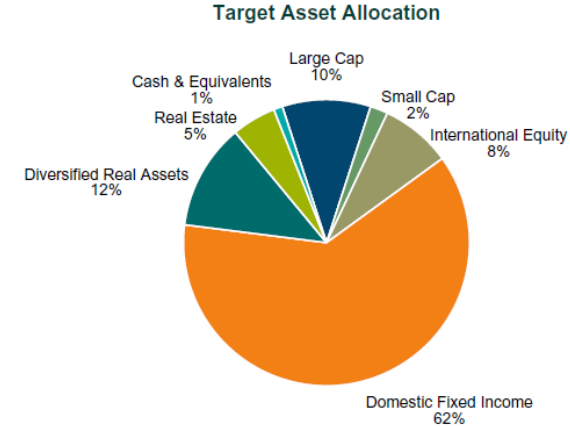
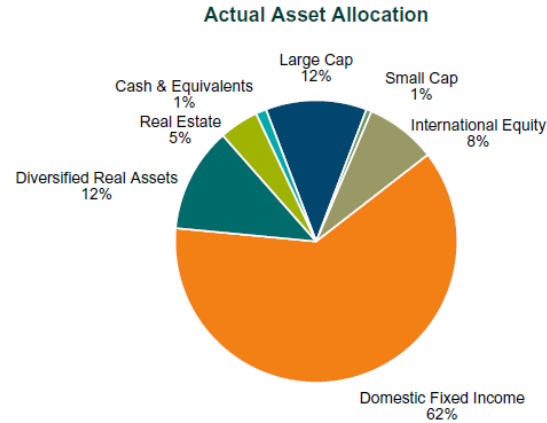
WSI INVESTMENT MANAGEMENT BENEFITS

WSI TEN YEAR AVERAGE RETURN¹



1. Thru June 2024
2. Starting with \$2.1 Billion of assets
3. 20% MSCI World/80% Bloomberg Aggregate – 10 years
Scott M Anderson, CFA – October 25, 2024

WSI ASSET ALLOCATION



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap	246,788	11.6%	10.0%	1.6%	33,445
Small Cap	13,110	0.6%	2.0%	(1.4%)	(29,558)
International Equity	173,607	8.1%	8.0%	0.1%	2,932
Domestic Fixed Income	1,322,185	62.0%	62.0%	(0.0%)	(541)
Diversified Real Assets	255,426	12.0%	12.0%	(0.0%)	(585)
Real Estate	96,988	4.5%	5.0%	(0.5%)	(9,684)
Cash & Equivalents	25,325	1.2%	1.0%	0.2%	3,991
Total	2,133,429	100.0%	100.0%		

1. June 2024 values – Callan

WSI PERFORMANCE

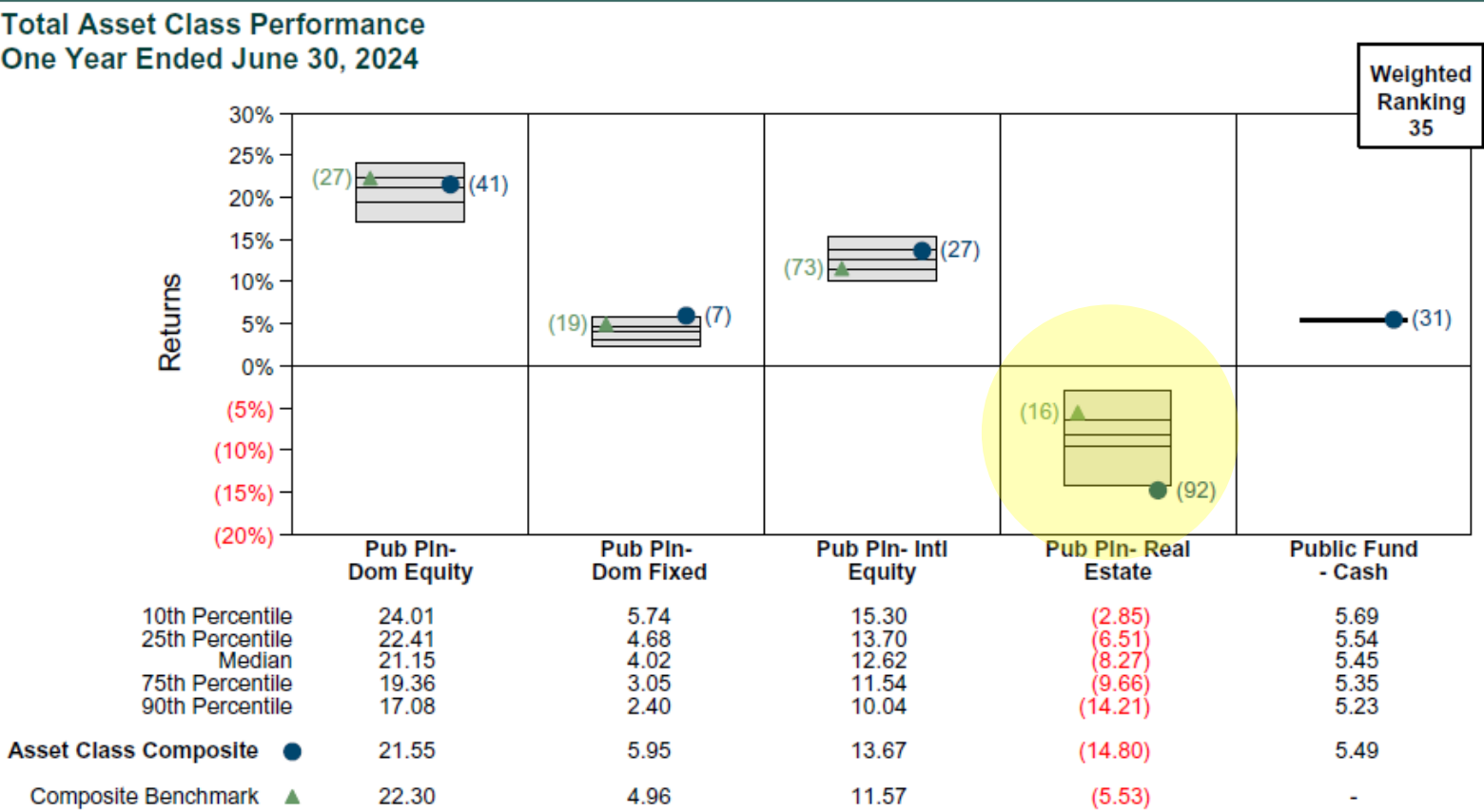
AS OF June 30, 2024 WSI \$2.1 Billion	Year to Date	1 Year	3 year	5 Year ¹	Risk (5 Year)
Total Fund Return - Net	1.8%	6.0%	-0.3%	3.2%	7.5%
Policy Benchmark Return	1.4%	5.0%	-0.7%	2.7%	7.0%
Total Relative Return	0.4%	1.0%	0.4%	0.6%	

1. Corridor benchmark applied only in year-to-date numbers

WSI BY YEAR PERFORMANCE

WSI \$2.1 Billion – June 30, 2024	Year to Date	23'	22'	21'	20'
Total Fund Return - Net	1.8%	8.4%	-12.3%	5.6%	9.9%
Policy Benchmark Return	1.4%	7.3%	-12.1%	4.9%	9.5%
Total Relative Return ¹	0.4%	1.1%	-0.2%	0.7%	0.4%

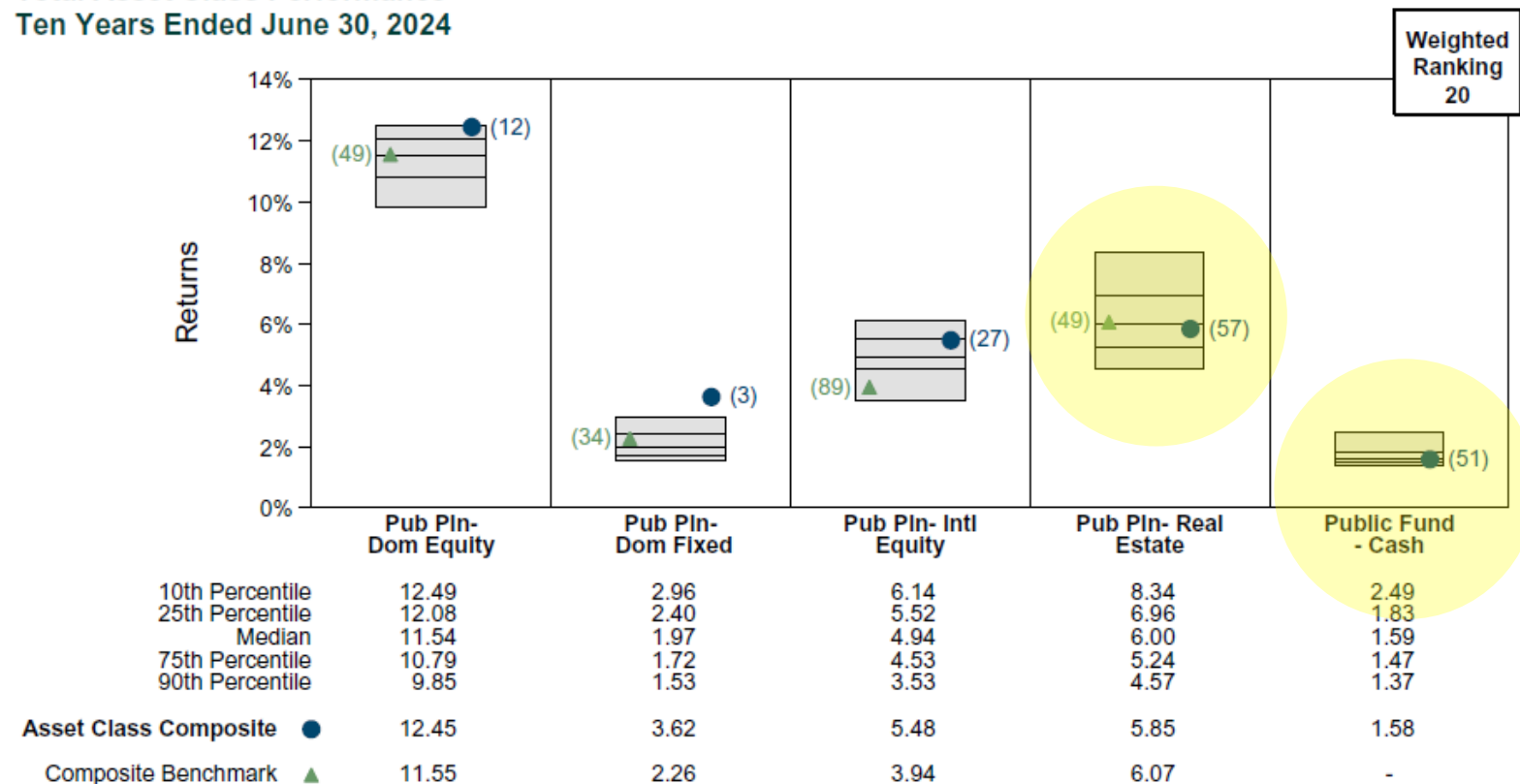
WSI ASSET CLASS PERFORMANCE



1. June 2024 values – Callan

WSI ASSET CLASS PERFORMANCE

Total Asset Class Performance
Ten Years Ended June 30, 2024



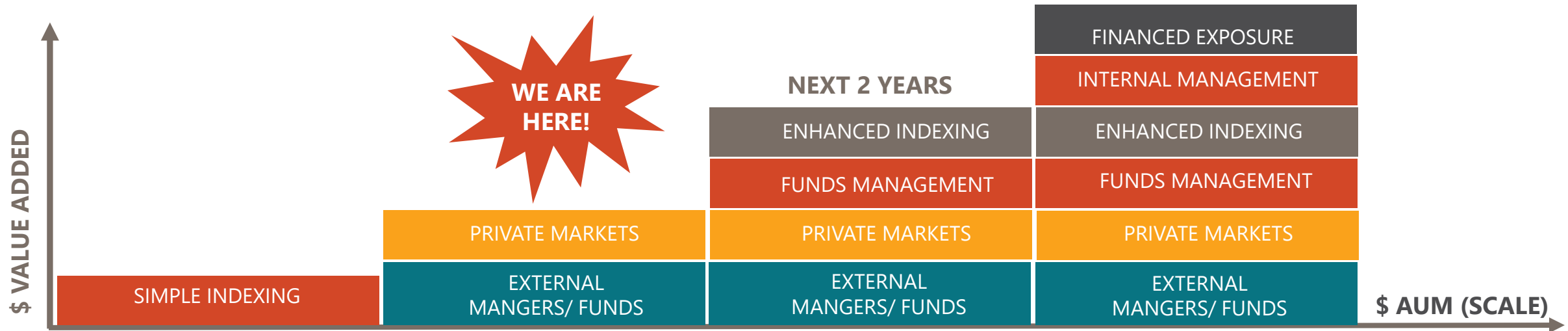
1. June 2024 values – Callan

PATHWAY TO STRATEGY

Scott M Anderson, CFA

October 25, 2024

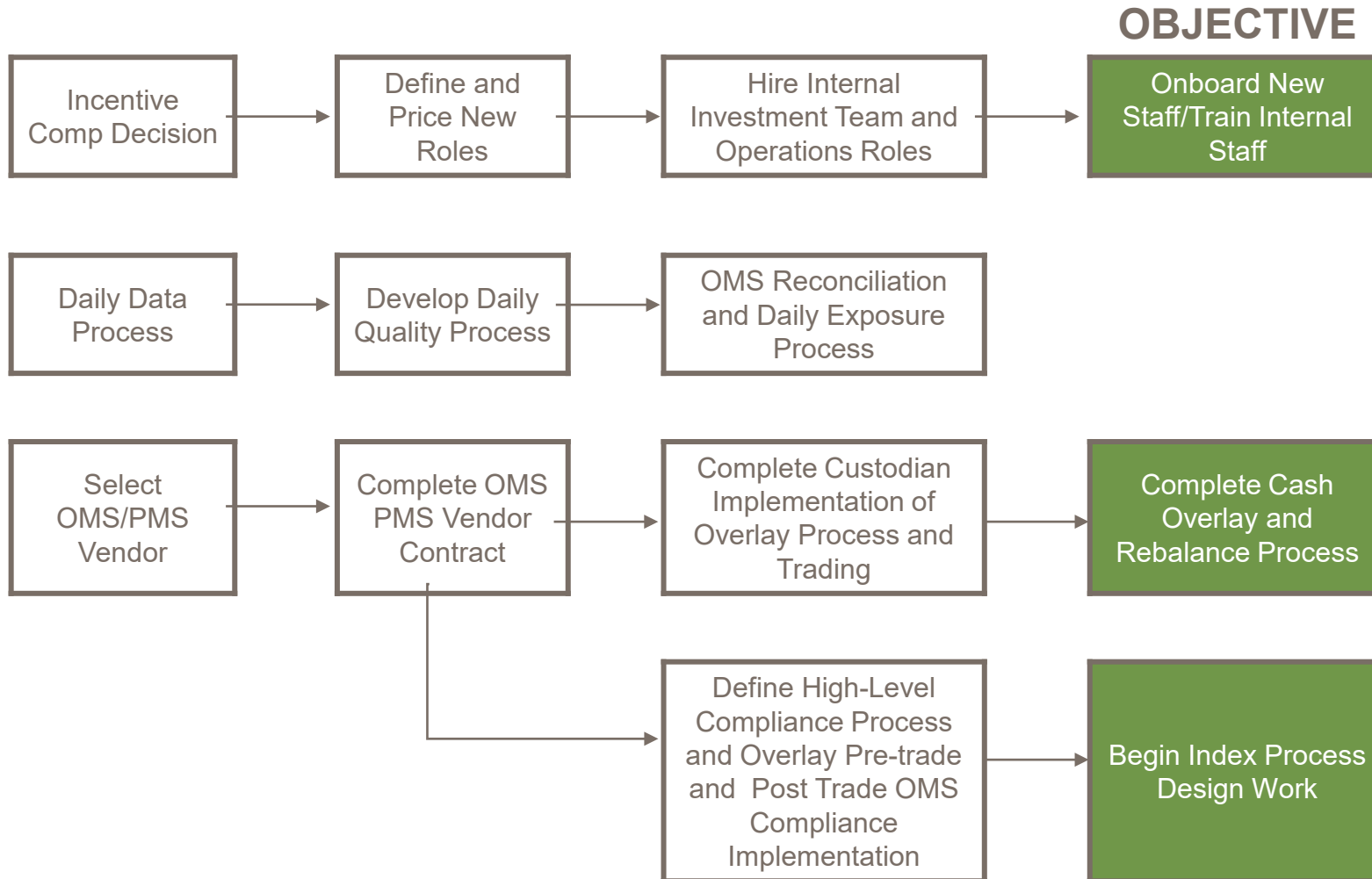
ROADMAP FOR SUCCESS



CAPABILITIES FOR SUCCESS

- DELEGATED AUTHORITY
- INCENTIVE COMP SYSTEM
- DIRECT INVESTMENT TEAM
- INDEPENDENT BENCHMARK CONSULTANT
- PRIVATE MARKETS BENCHMARK CORRIDOR
- FUND POOLING
- DAILY FUND VALUES AND RETURNS
- ADVANCED OPERATIONS
- AUDIT PROCESSES AND COMPLIANCE
- NEW INVESTMENT PROCESSES
- FUND AND LIQUIDITY MANAGEMENT
- DERIVATIVES OVERLAYS
- VALUATION AND EXPOSURE MANAGEMENT
- INVESTMENT DATA WAREHOUSE
- ORDER MANAGEMENT SYSTEM
- PORTFOLIO MANAGEMENT ANALYTICS
- INTEGRATED DATA AND MESSAGES
- KNOWLEDGE MANAGEMENT SYSTEM

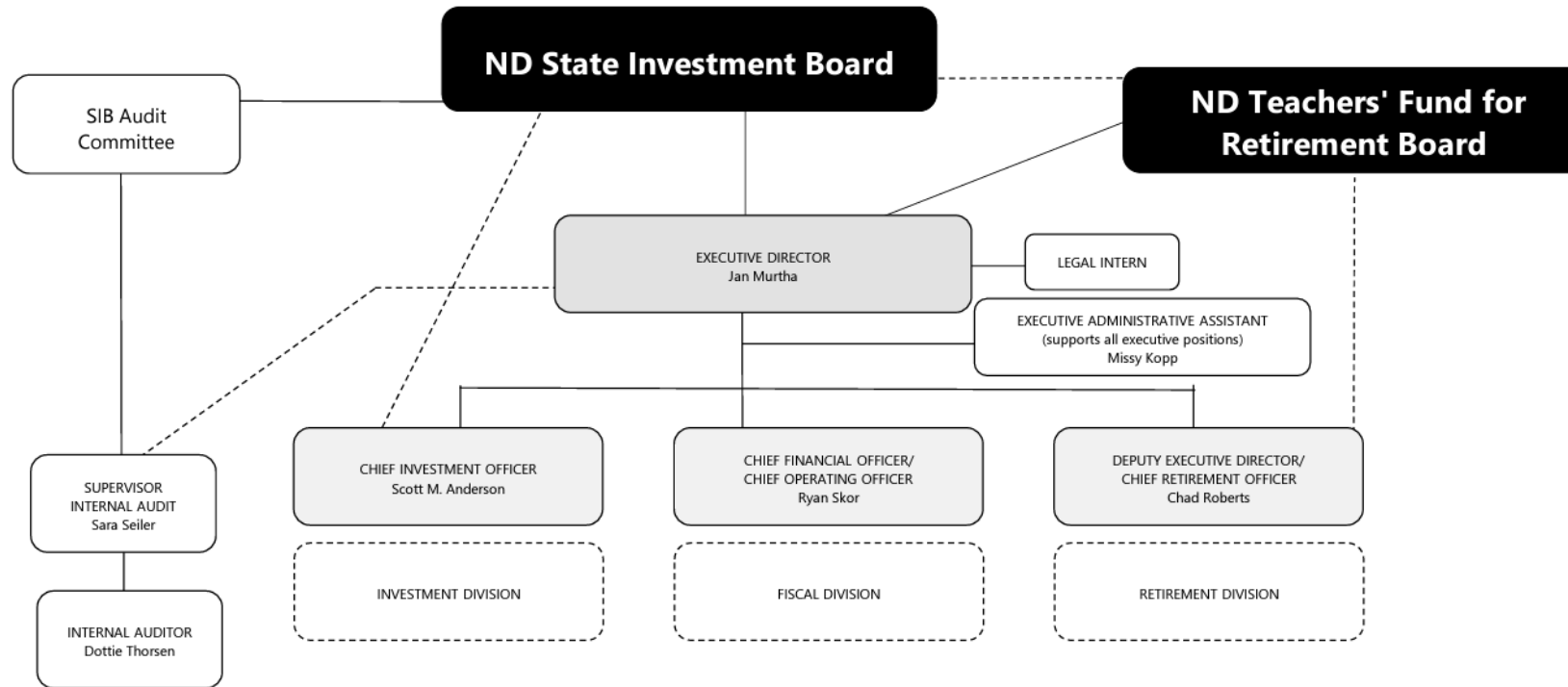
CRITICAL PATHS OF SUCCESS



- Incentive Comp Approved
- Internal Investment portfolio managers and senior analyst hired
- Began discussions for broker/dealer arrangements
- Signed agreement for order management/portfolio management system
- Began program plan for investment IT infrastructure
- Began development of first internal investment strategies (cash overlay, liquidity indexes, efficient rebalance)

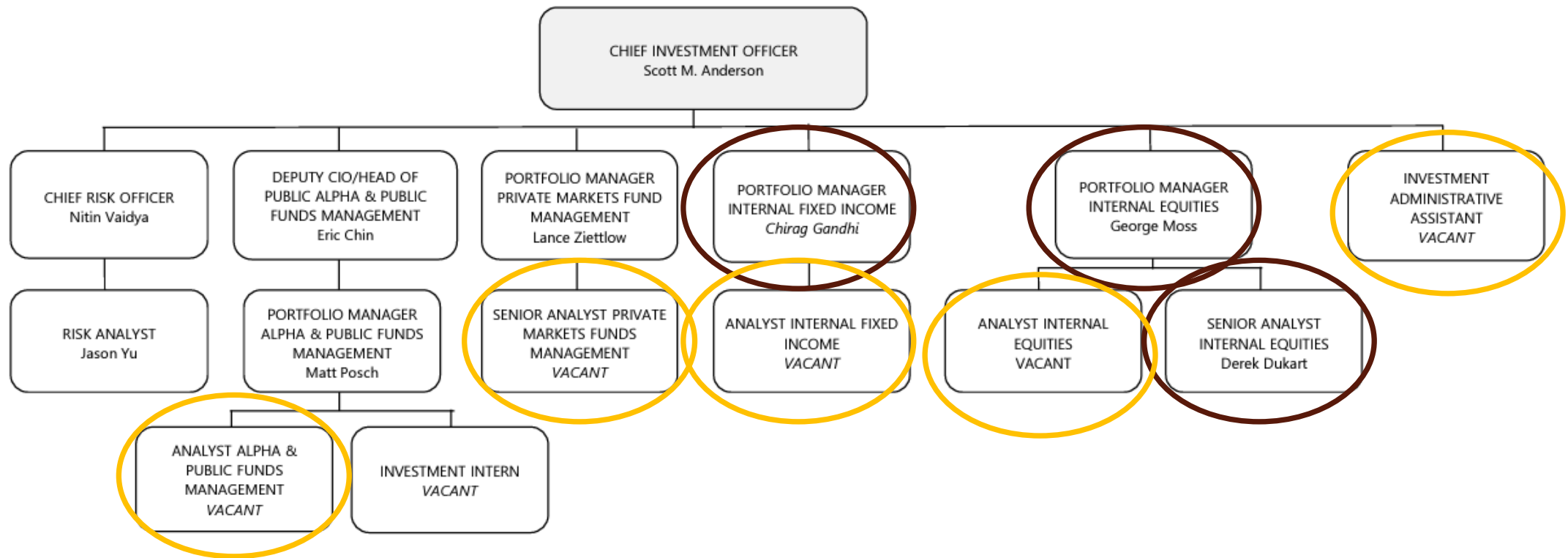
THE RIO ORGANIZATION STRUCTURE

RETIREMENT AND INVESTMENT OFFICE ORGANIZATIONAL CHART



THE INVESTMENT TEAM

RETIREMENT AND INVESTMENT OFFICE ORGANIZATIONAL CHART - INVESTMENT



INTERNAL INVESTMENT MANAGEMENT INITIATIVE

NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
<ul style="list-style-type: none"> Begin Incentive And Unclassified Role Project Board Approves Benchmark Memo Coordinate Hurdle Rate Discussions With Incentive Comp And Unclassified Role Project Establish Executive Steering Committee For IT Project. Approve Alternative It Procurement Issue It Rfp 	<ul style="list-style-type: none"> Identify Investment Role Titles And Benchmark Consultant Reviews Incentive Comp Prototype Complete Daily Allocation Process Design 	<ul style="list-style-type: none"> Refine Incentive Comp Plan 1.0, Receive And Score MS/PMS RFP Responses Select OMS/PMS Vendors For Call Back 	<ul style="list-style-type: none"> Issue Compliance Process RFP Issue Performance Consultant RFP Approve Incentive Comp 1.0 And Role Comp OMS/PMS Vendor Demonstrations Select OMS/PMS Vendor For Negotiation Complete Daily Allocation Process 	<ul style="list-style-type: none"> Select Performance RFP Consultant Finalists Select Compliance Process Finalists Refine And Recruit Roles Recruit New Investment Roles New Role Long List Screening OMS/PMS Vendor Negotiation Launch Data Warehouse Project Begin To Develop Data Warehouse Strategy Complete Daily Data Quality Process 	<ul style="list-style-type: none"> Begin Internal Direct Overlay And Rebalance Strategy Hire A Securities Lawyer And Begin FCM And ISDA Negotiations. Interview And Hire Performance Consultant Interview And Hire Compliance Consultant New Role Long List Screening Begin Compliance Process Design Sign OMS/PMS Contract Begin OMS/PMS Incremental Implementation Define Ops Roles 	<ul style="list-style-type: none"> Approve Internal Direct Overlay And Rebalance Strategy Select And Call Back Candidates Interview Second Round Candidates** Implement Direct Overlay And Rebalance OMS/PMS Requirements Develop Large It Project Data Architecture Select Data Warehouse Solution Begin Compliance Process Design Complete Daily Reconciliation Design 	<ul style="list-style-type: none"> Select And Call Back Final Round Candidates** Interview Final Round Candidates** Complete First FCM Agreement, Continue ISDA And Master Confirm Agreements Finalize Compliance Process Design Begin Design Custodian Feed To Data Warehouse

**Equity Portfolio Manager and Senior Analyst Overlays

NEAR TERM TIMELINE OF ACTIVITIES - CONTINUED

JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB
<ul style="list-style-type: none"> ✓ Hire Initial Internal Direct Team** Continue Recruitment ✓ Onboard Initial Internal Direct Team Incorporate Compliance Into OMS Implementation Finalize OMS Integration With Custodian Roll-out PMS Daily Reconciliation 	<ul style="list-style-type: none"> Pilot Internal Direct Cash Overlay And Rebalance Test OMS And Integration With Custodian/External Traders On Internal Direct Overlay And Rebalance Pilot Hire Initial Internal Direct Team Continue Recruitment Continue Data Warehouse Project Begin Data Exchange Project 	<ul style="list-style-type: none"> Develop Legislative Strategy Begin Legislative Outreach Begin To Develop Index Strategy Scale Up Overlay And Rebalance Strategy Continue Recruitment Continue Data Warehouse Project Begin Data Exchange RFP 	<ul style="list-style-type: none"> Develop Tools And Data For <u>Indexing</u> Continue Legislative Outreach Complete Second FCM Agreement, Continue ISDA And Master Confirm Agreements Continue Recruitment Continue Data Warehouse Project Select Data Exchange Vendor 	<ul style="list-style-type: none"> Develop Tools And Data For Indexing Continue Legislative Outreach Continue Recruitment Continue Data Warehouse Project Negotiate Data Exchange Contract Update Compliance For Internal Indexing 	<ul style="list-style-type: none"> Approve Indexing Policy Continue Legislative Outreach Continue Recruitment Continue Data Warehouse Project Launch Data Exchange Project Incorporate Indexing Into OMS Implementation Including Compliance 	<ul style="list-style-type: none"> Continue Legislative Outreach Continue Recruitment Continue Data Warehouse Project Continue Data Exchange Project Test OMS For Indexing With Custodian On A Small Pilot 	

MEMORANDUM

TO: SIB
FROM: Scott Anderson, Chief Investment Officer
DATE: October 25, 2024
RE: Investment Committee Update

October 17 of 2024, Investment Committee Meeting

The Investment Committee was held on October 17, 2024. The meeting was called to order and there was an acceptance of the agenda followed by an acceptance of the minutes from previous meetings.

Mr. Zietlow provided a private markets manager recommendation in closed session pending contract negotiation. Mr. Chin and Mr. Dukart followed with a manager recommendation in closed session pending contract negotiation. Mr. Chin then provided a manager update in closed session pending implementation of the recommendation which requires some commercial negotiation.

Mr. Chin, Mr. Dukart, and Mr. Posch then provided a public markets strategy review discussion including a discussion of public market external manager performance. Lastly, Mr. Chin provided an update on the effort to enable separately managed accounts for global managers requesting approval of retaining external legal counsel to assist with enabling international transactions in separately managed accounts.

<https://www.rio.nd.gov/sites/www/files/documents/PDFs/SIB%20Investment/Board/Materials/sibinvestmat20241017.pdf>

BOARD ACTION REQUESTED: Information Only.

MEMORANDUM

TO: SIB
FROM: Jan Murtha, Executive Director
DATE: October 24, 2024
RE: Governance and Policy Review Committee Update

The GPR Committee met on October 21, 2024. Please find following a summary of committee discussions and actions.

The committee received an update from staff on the status of an investment data statute draft. The draft will be presented to the committee in November. The committee also reviewed and discussed an amendment to the procurement exemption in state law applicable to investment management services to extend the exemption to service related to internal investment management and software solutions related to internal investment management of funds. The committee found the proposed amendment appropriate for recommendation. Director Sisk requested RIO staff work reach out to State Procurement to discuss the possibility of including the amendment in the OMB bill to be submitted in the upcoming session.

Staff proposed a schedule to review the governance manual. RIO staff anticipates that the internal investment initiative will launch during the current fiscal year and additional governance policies will be required to implement the oversight and compliance functions of that initiative. The committee also discussed the need to review the governance model on which the current manual is based and recommended a review for the following biennium.

Committee materials may be found at: [State Investment Board Governance & Policy Review Committee | Retirement Investment Office \(nd.gov\)](#)

Board Action Requested: Information Only.

Quarterly Report on Ends

Quarter ending September 30, 2024

Investment Program

Portfolio Changes & Investment Consultant

- Two Sigma – US All Cap

Public Markets:

Over the past quarter, the AFM team has made substantial progress on the Equity 2.0 project. The team onboarded Two Sigma into the U.S. equity portfolio as part of efforts to improve the portfolio's risk-adjusted excess return profile. Ongoing review and negotiations around investment management agreements with other U.S. equity managers are in progress. The Team expects to onboard new U.S. managers shortly. Additionally, the team approved three transition managers to facilitate future transitions, adding capabilities to streamline future portfolio changes.

In the international equity space, the team continued its due diligence, conducting eight onsite diligence meetings with international equity managers. This ongoing effort will lead to new recommendations for the international equity portfolio. The Team expects to present portfolio recommendations to the Investment Committee in the fourth quarter.

The AFM team also posted for a new analyst position this quarter and has already begun interviews to fill this role. The analyst will support the team in managing the public markets portfolio and future projects.

Private Markets:

A private equity manager (Horsley Bridge Growth 14) was recommended and approved and recently closed. A real estate manager was also recommended and approved by the Investment Committee and is currently undergoing legal review. We also provided a quarterly update on the investment program which included some of the reporting that can be generated through the Hamilton Lane portfolio management system.

The Private Markets Team conducted approximately 90 introductory, due diligence, and monitoring meetings with prospective and current managers and strategies. The team attended multiple Annual General Meetings and LPAC meetings for existing managers. The team continues its work on the In-State program within the Legacy Fund and has been working with RVK to find and hire additional managers and strategies. It is anticipated that RVK and staff will bring a recommendation to the Investment Committee at the end of 4Q24.

Risk:

This past quarter the Risk Team has continued its efforts on the procurement of an Order and Execution Management System (OEMS) and Portfolio Management System (PMS) platforms. An agreement was signed with the vendor and implementation of Aladdin

Enterprise began this quarter. Several channels have been created to address the various business and technical requirements and meetings have been initiated. Implementation is expected to last about 7 months until mid-to-late March of 2025.

The Risk Team has developed concise and impactful portfolio risk reports from the Aladdin system and its automation is in progress. The team is now running these reports daily at the pool level and has made further progress on enhancing data quality underlying these reports. Data issues remain a challenge but with more timely resolution we expect to have higher quality of reports. Additional reports at manager and client levels as well as attribution reports will be taken up subsequently.

Risk and analytics dashboards for the AFM team are also being developed in Aladdin. Additionally, the Risk Team continues to assist the AFM team in the selection of and allocation to different international managers towards the Equity 2.0 implementation.

Work continues on developing an Interest Rate Model to estimate probabilities of forward interest rates and term structures. The aim is to potentially use Monte Carlo simulation results to formulate investment strategies in the future.

The risk team also assisted the CIO on review of portfolio manager candidates and selection of the FI portfolio manager.

Internal Management:

The onboarding of the Aladdin Order & Execution Management System (OEMS) is progressing and is on schedule, inclusive of all third-party data, agreements, etc. that are necessary for the program. The Portfolio Managers of Internal Equity and Internal Fixed Income were hired and have been working together on strategy and portfolio design. The Senior Analyst for Internal Equity has also been hired. The search for an Analyst for Internal Fixed Income is in progress; the position has been posted with a deadline of October 24, 2024. The investment team's weekly market discussion and research framework continue to evolve as we build a foundation for Internal Portfolio Management.

Other:

- Staff conducted a search for an asset allocation consultant.
- Staff continues to conduct 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, and WSI.

MEMORANDUM

TO: State Investment Board

FROM: Sarah Mudder, communications and outreach director

DATE: Oct. 25, 2024

RE: FY2025, Q1 Communications and Outreach Report

MEDIA RESPONSE – Date, Subject, and Publication

- July 30, 2024, Performance consultant selection, Financial Investment News
- Aug. 2, 2024, Senior investment analyst position, Financial Investment News
- Aug. 6, 2024, Performance consultant selection, Financial Investment News
- Aug. 12, 2024, Private equity manager selection, Financial Investment News
- Sept. 10, 2024, Asset allocation consultant, Pensions & Investments
- Sept. 11, 2024, SIB master trust and internal investment initiative, Pensions & Investments
- Sept. 17, 2024, Fixed income portfolio manager, with Intelligence
- Sept. 17, 2024, Cash management study, North Dakota Monitor
- Sept. 18, 2024, Fixed income portfolio manager, Financial Investment News
- Sept. 27, 2024, Asset allocation consultant, Pensions & Investments

MEETINGS – Date and Activity

- July 10, 2024, SIB Investment Committee Meeting
- July 25, 2024, TFFR Board Meeting
- July 26, 2024, SIB Meeting
- July 26, 2024, PERS Client Fund Meeting
- Aug. 9, 2024, SIB Investment Committee Meeting
- Aug. 14, 2024, SIB Audit Committee Meeting
- Aug. 20, 2024, PERS Board Meeting
- Sept. 10, 2024, SIB GPR Committee Meeting
- Sept. 10, 2024, TFFR GPR Committee Meeting
- Sept. 13, 2024, SIB Investment Committee Meeting
- Sept. 13, 2024, Financial Literacy Commission Meeting
- Sept. 16, 2024, SIB Investment Committee Special Meeting
- Sept. 17, 2024, Cash Management Study
- Sept. 18, 2024, Cash Management Study
- Sept. 19, 2024, SIB Securities Litigation Committee
- Sept. 26, 2024, TFFR Board Meeting
- Sept. 27, 2024, SIB Meeting

OUTREACH – Date, Staff, and Activity

Board Education

- July 17, 2024, Sara Seiler (presenter), Internal Audit Overview

Conferences

- Aug. 3-7, 2024, Jan Murtha (committee mtg and roll call), NASRA, Pittsburgh, PA
- Aug. 6, 2024, Jayme Heick and Sarah Mudder (tradeshow), Career and Technical Education, Bismarck, ND
- Sept. 16, 2024, Chad Roberts (presenter), ND Retired Teachers Association, Bismarck, ND

SIB Events

- Sept. 25, 2024, Investment Seminar, Bismarck, ND

TFFR Active Member Education

- July 18, 2024, Retirement Education Workshop
- Sept. 16, 2024, Group Benefit Presentation, Virtual
- Sept. 18, 2024, Group Benefit Presentation, Watford City
- Sept. 25, 2024, Group Benefit Presentation, Minot

PUBLICATIONS (GovDelivery)

TFFR Business Partners Newsletters and Updates

- July 23, 2024, newsletter sent to 471 recipients (54% open rate)

TFFR Active Members Newsletters and Events

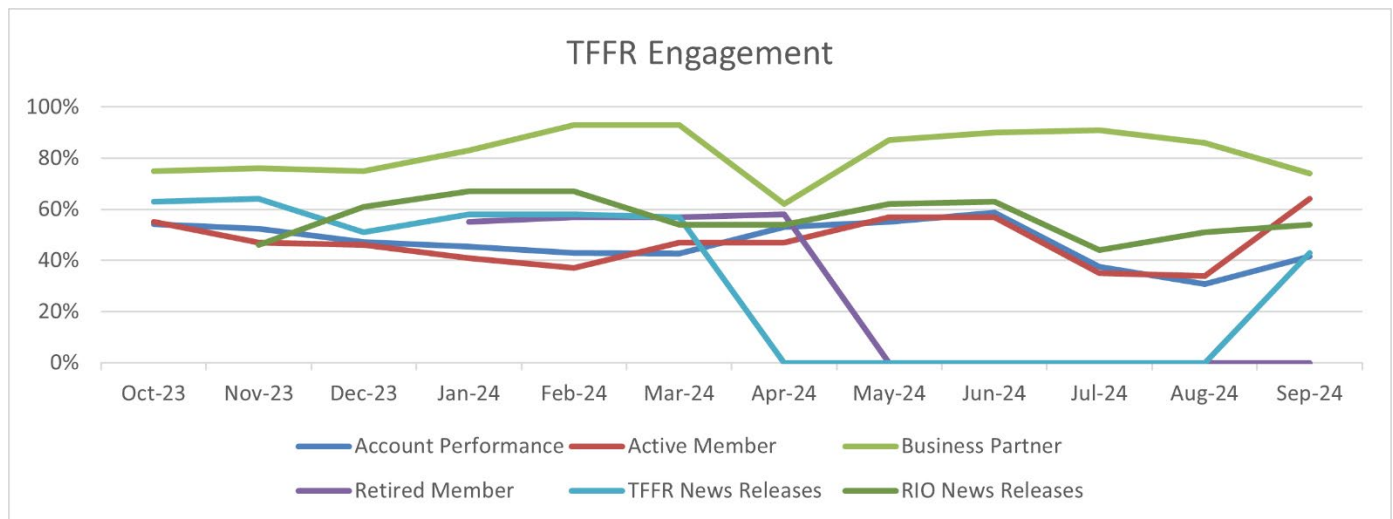
- Aug. 21, 2024, group benefit presentation promo to 11,677 recipients (27% open rate)
- Sept. 9, 2024, group benefit presentation promo to 11,391 recipients (32% open rate)
- Sept. 19, 2024, newsletter to 11,341 recipients (54% open rate)

TFFR News Releases

- Sept. 11, 2024, "Rasset appointed to TFFR board," 857 recipients (42% open rate)

TFFR Engagement Rate Monthly Metrics

From July 1 to Sept. 30, most to least engaged TFFR topics were Business Partner at 74% and Active Members at 64% and TFFR News Releases at 43%. Retired Members dropped off due to lack of communications. Per GovDelivery, the median engagement rate for education communications in 2023 was 66%.



SIB/Fiscal newsletters and updates

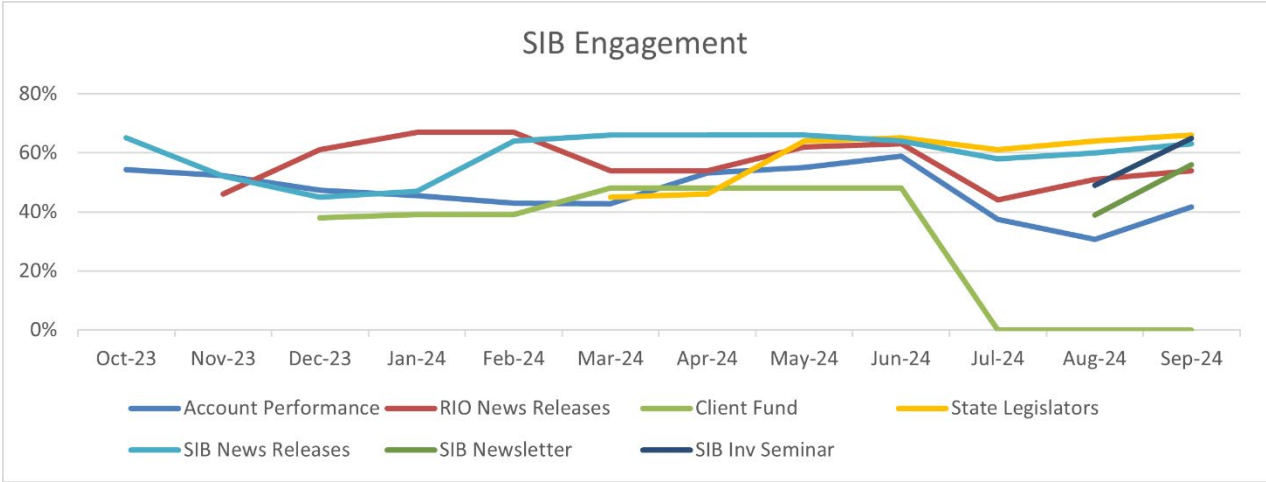
- Aug. 1, 2024, investment seminar promo, to 870 recipients (40% open rate)
- Aug. 21, 2024, investment seminar promo to 792 recipients (38% open rate)
- Sept. 9, 2024, investment seminar promo to 796 recipients (43% open rate)
- Sept. 19, 2024, newsletter sent to 912 recipients (48% open rate)

SIB/Fiscal news releases

- Aug. 12, 2024, "RIO to host investment seminar," 956 recipients (38% open rate)
- Sept. 5, 2024, "RIO earns Certificate of Achievement for Financial Report," 753 recipients (46% open rate)
- Sept. 13, 2024, "SIB selects Weaver for investment compliance services," 601 recipients (44% open rate)

SIB Engagement Rate Monthly Metrics

From July 1 to Sept. 30, most to least engaged SIB topics were State Legislators at 66%, Investment Seminar at 65%, SIB News Releases 63%, and Investment Newsletter at 56%. Per GovDelivery, the median engagement rate for Finance & Commerce communications in 2023 was 56%.



SOCIAL MEDIA (LinkedIn)

	Page Views	Unique Visitors	New Followers
Q3 2024	1,788	670	223
Most Popular Posts	Impressions	Clicks	Likes
Derek Dukart promoted	6,739	448	139
Chirag Gandhi hired	6,359	393	154
Scott Anderson P&I interview	4,542	313	78

BOARD ACTION REQUESTED: Board Acceptance

MEMORANDUM

TO: State Investment Board Members

FROM: Sarah Mudder, communications and outreach director

DATE: Oct. 25, 2024

RE: Investment Seminar Evaluation

The Retirement and Investment Office (RIO) host its inaugural investment seminar, “Optimizing Returns for North Dakota’s Future,” on Wednesday, Sept. 25, 2024, at the Bismarck Public Schools Career Academy.

The one-day seminar provided an in-depth look at North Dakota’s investment strategies and economic development programs. Lt. Governor Tammy Miller, chair of the State Investment Board (SIB), kicked off the event with a welcome address, outlining the structure and key roles of the SIB and RIO.

Matt Gertken, Chief Strategist at BCA Research, followed with insights on how the upcoming presidential election could impact investment decisions. RIO’s investment team then shared the benefits of their management program, detailed manager selection and risk management practices, and the development of internal equity and private equity programs. The morning concluded with a session on how technology is transforming investment strategies.

After a networking lunch, the afternoon focused on North Dakota’s economic initiatives. A panel featuring representatives from Commerce, Trust Lands, and RIO explored how each agency defines and measures return on investment. Commerce leads the state’s economic development efforts, Trust Lands manages the Strategic Investment & Improvement Fund, and RIO oversees the Legacy Fund.

The final session, moderated by Treasurer Thomas Beadle, delved into the in-state investment program. Panelists, including RIO’s private equity portfolio manager, the North Dakota Growth Fund’s investment manager, the Bank of North Dakota’s business development director, and the Securities Commissioner, discussed their investment strategies, regulatory framework, and opportunities for growth.

A summary the evaluation rating s is provided below. The responses are attached.

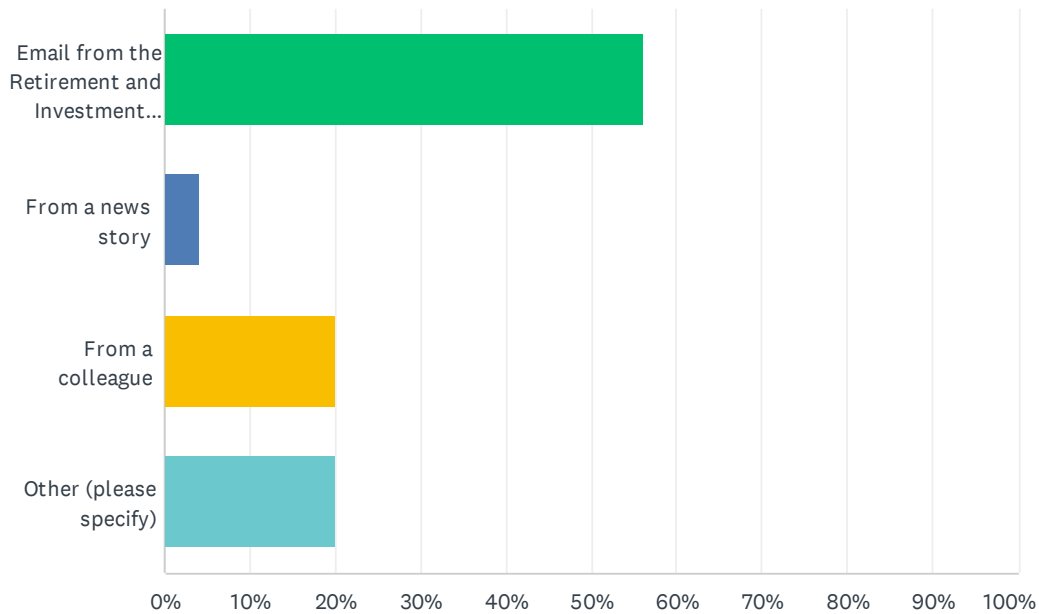
Summary Evaluations (25 responses received)

	Excellent	Above Average	Average	Poor
Totals	91	39	15	0
Weight	4	3	2	1
Percent	62.8%	26.9%	10.3%	0%
Average	3.52 on a 4 pt scale			

BOARD ACTION REQUESTED: Board Acceptance

Q1 How did you learn about the seminar?

Answered: 25 Skipped: 0

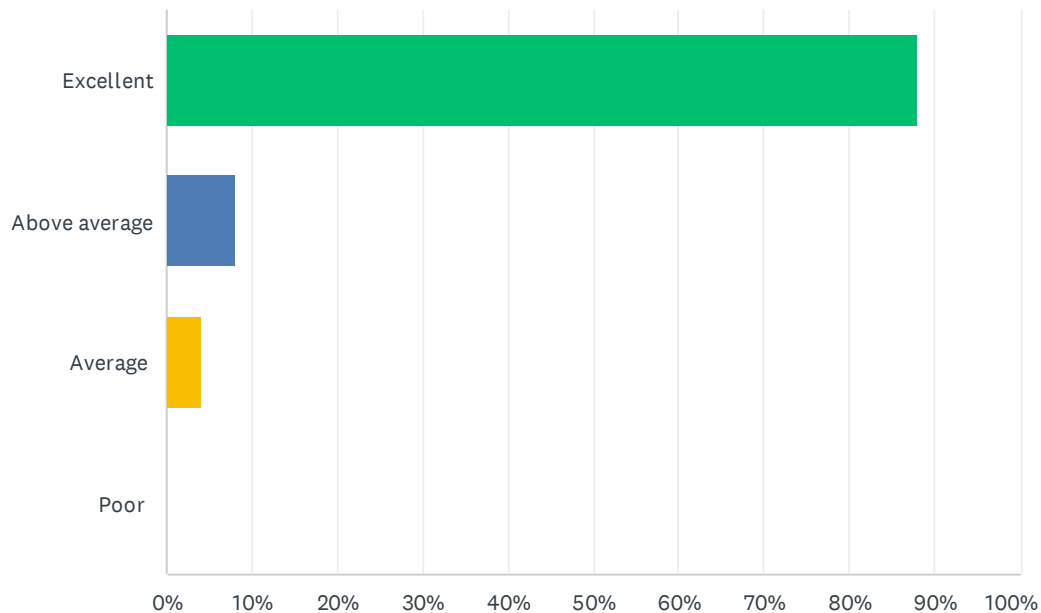


ANSWER CHOICES		RESPONSES
Email from the Retirement and Investment Office	56.00%	14
From a news story	4.00%	1
From a colleague	20.00%	5
Other (please specify)	20.00%	5
TOTAL		25

#	OTHER (PLEASE SPECIFY)	DATE
1	Board Member	10/1/2024 2:14 PM
2	Member of SIB	10/1/2024 1:24 PM
3	linkedIn	10/1/2024 12:58 PM
4	Linkedin posts	10/1/2024 12:58 PM
5	Linked in	9/26/2024 7:10 PM

Q2 Rate the Keynote Speaker Presentation, "Global economy and state investment implications," including the material presented and speaker knowledge.

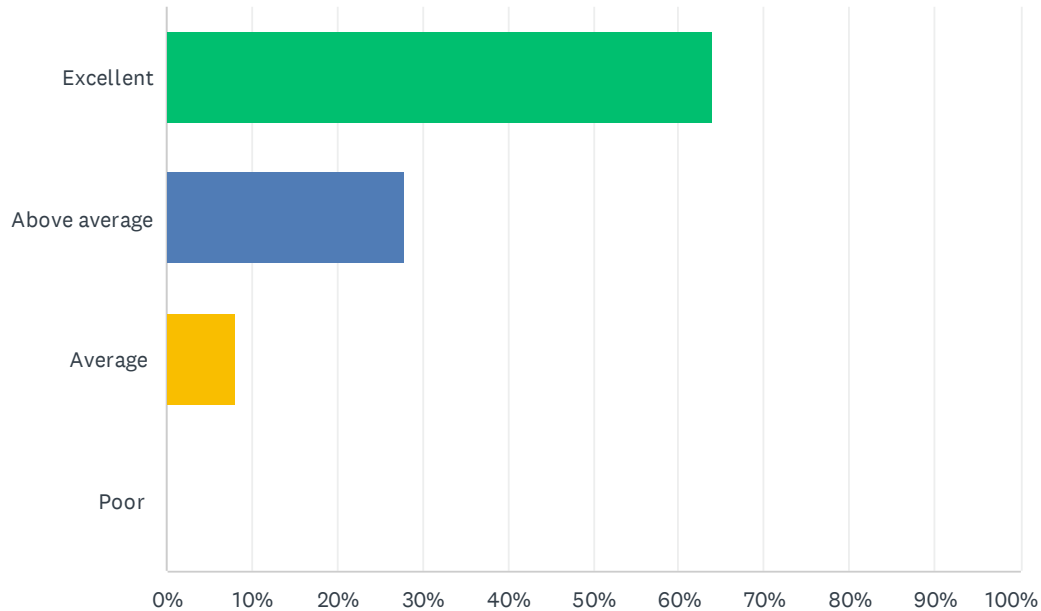
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
Excellent	88.00%	22
Above average	8.00%	2
Average	4.00%	1
Poor	0.00%	0
TOTAL		25

Q3 Rate the “State Investment Board Program Overview” presentation, including the material presented and speaker knowledge.

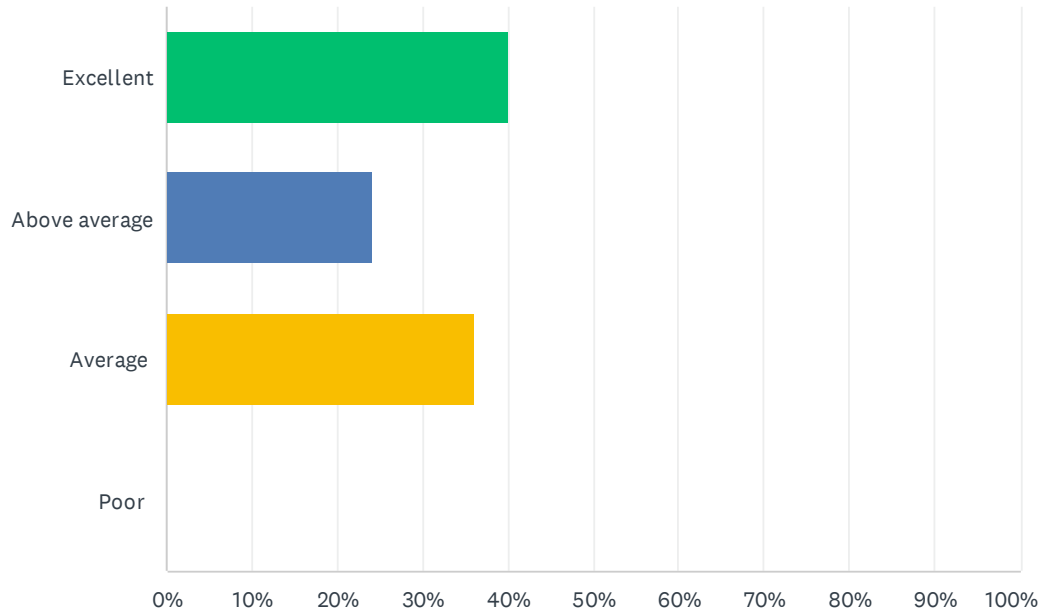
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
Excellent	64.00%	16
Above average	28.00%	7
Average	8.00%	2
Poor	0.00%	0
TOTAL		25

Q4 Rate the “How technology is changing investing” presentation, including the material presented and speaker knowledge.

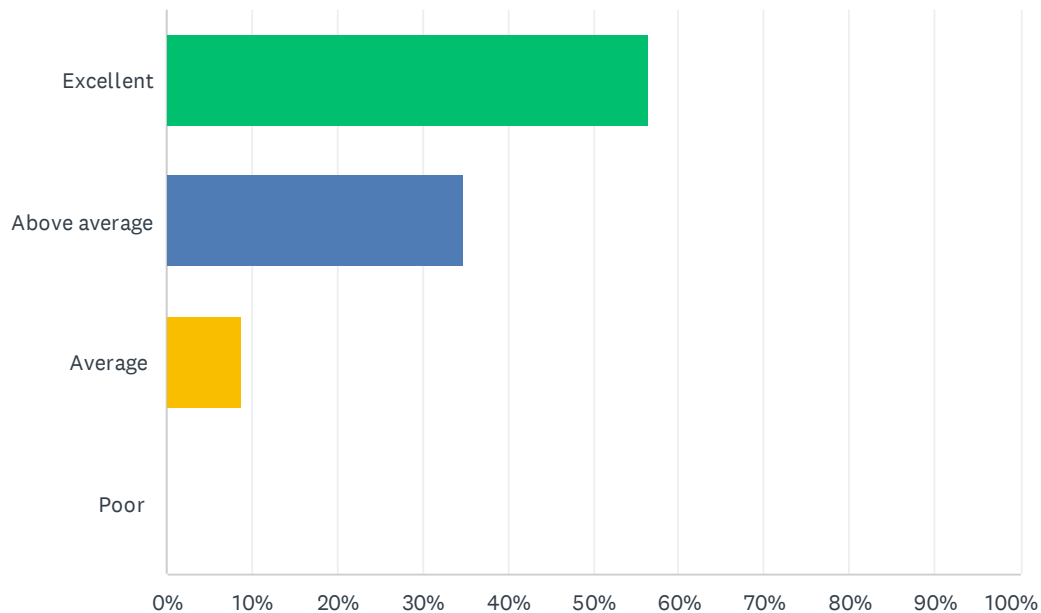
Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
Excellent	40.00%	10
Above average	24.00%	6
Average	36.00%	9
Poor	0.00%	0
TOTAL		25

Q5 Rate the “Investing and economic development opportunities in North Dakota” presentation, including the material presented and speaker knowledge.

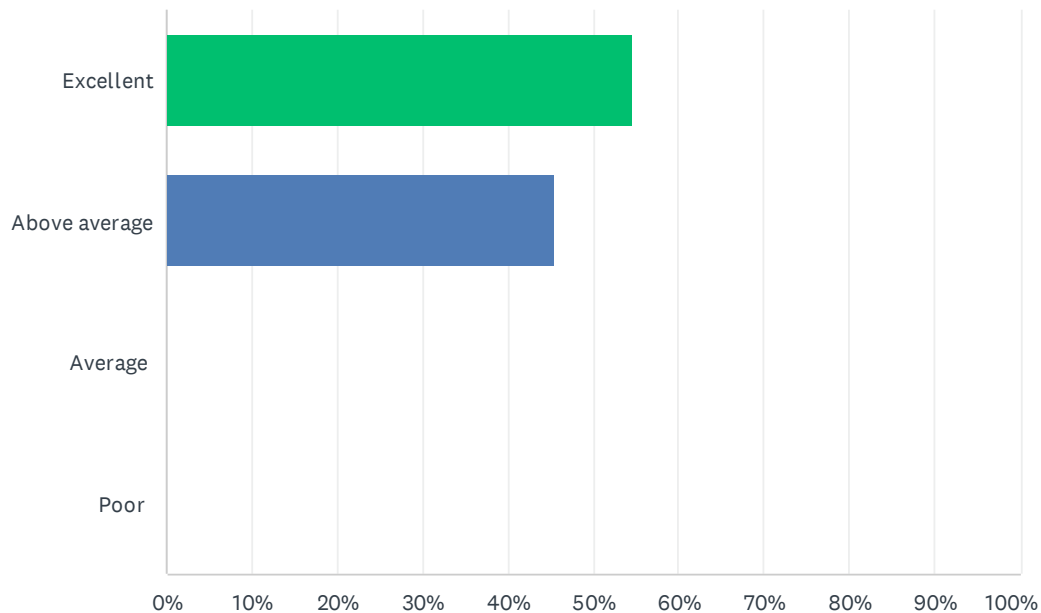
Answered: 23 Skipped: 2



ANSWER CHOICES	RESPONSES	
Excellent	56.52%	13
Above average	34.78%	8
Average	8.70%	2
Poor	0.00%	0
TOTAL		23

Q6 Rate the “North Dakota's Legacy Fund and the in-state investment program” presentation, including the material presented and speaker knowledge.

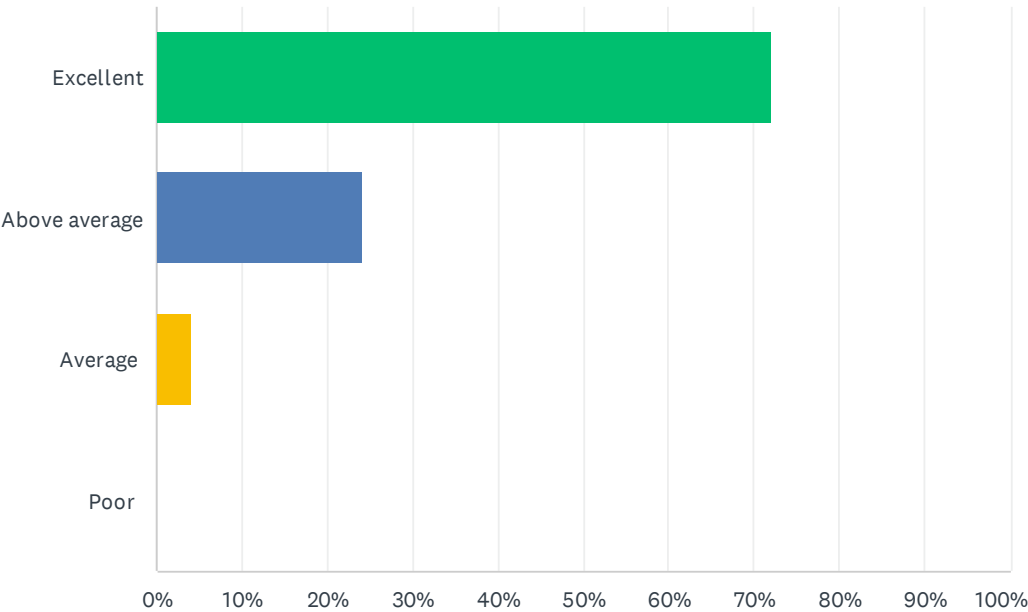
Answered: 22 Skipped: 3



ANSWER CHOICES	RESPONSES	
Excellent	54.55%	12
Above average	45.45%	10
Average	0.00%	0
Poor	0.00%	0
TOTAL		22

Q7 Rate the event overall.

Answered: 25 Skipped: 0



ANSWER CHOICES	RESPONSES	
Excellent	72.00%	18
Above average	24.00%	6
Average	4.00%	1
Poor	0.00%	0
TOTAL		25

Q8 Which session or activity did you find most and/or least beneficial and why?

Answered: 21 Skipped: 4

#	RESPONSES	DATE
1	keynote speaker was very interesting.	10/4/2024 9:22 AM
2	In general learning about the RIO, how responsibilities are divvied up, the evolution of internal vs external investing, and the growth/evolution of the team/fund/resources was all very insightful. Access to members of the investment team was also appreciated. While we are a new manager to the pension and legacy funds, the in-person interactions with various members of the office, from investment to risk to operations, were profoundly valuable given today's environment that so heavily relies on email and Zoom.	10/4/2024 8:53 AM
3	Most Interesting: Keynote All other presentations had their merits.	10/3/2024 12:38 PM
4	It was great to meet many people I interact with in person and put a face to the name. I enjoyed learning more about what RIO is working on and getting to know the team better.	10/2/2024 9:13 AM
5	I really enjoyed the keynote's analysis of the upcoming election as well as the roundtable on the In-State Investment Program.	10/1/2024 3:27 PM
6	State Investment Board Program Overview was very helpful	10/1/2024 2:54 PM
7	Keynote	10/1/2024 2:14 PM
8	The AI presentation was pretty general. Would have been nice to have more real life application to how we can use now.	10/1/2024 1:24 PM
9	I was concerned with the partisan implications of the first presenter, and thought the presentation failed to 'close the loop' between the US election and the implications on the global market, beyond the blanket, 'the market prefers stability'... rather than a 3,000 ft view, I would have appreciated discussion of how say, policy around tariffs or technology translates to market implications. I also have a bit of a personal pet peeve when graphs have misleading axes without notes of nuance by the presenters :) i.e., slide 35, those should have had same numbers on all axes so that the difference between sectors didn't look so different. Sorry if that is really in-the-weeds, but it's a communication point I feel strongly about, as a natural resource professional who strives to effectively communicate to general public using graphs. I really liked the panel discussions in the afternoon~ the more 'interactive'/human discussions are the most impactful for me as a general resident.	10/1/2024 1:07 PM
10	Really enjoyed the "Global economy and state investment implications" as well as detail around the various state investment programs. The outside speaker provided a detailed overview of the election and impacts to various sections, potential result scenarios, etc., and then detail on the state programs and how they all interact, but are distinctly different was value-add.	10/1/2024 1:03 PM
11	The keynote was surprisingly good.	10/1/2024 12:59 PM
12	Hearing from the CIO and Investment team members	10/1/2024 12:58 PM
13	I personally found the State Investment Board overview the most beneficial due to my role but I found the content around investing in the state very interesting!	10/1/2024 12:58 PM
14	All were excellent and helpful. I always enjoy good Geopolitical speakers. Learning more about ND and the funds was also excellent.	10/1/2024 11:07 AM
15	The morning keynote was excellent. I was not able to attend the afternoon sessions.	9/27/2024 2:09 PM
16	For me the update on RIOs work was most helpful.	9/26/2024 7:10 PM
17	The State Investment Board Program Overview was very helpful as we (LACM) work with Scott and his Team for the benefit of the Plan and participants. It was also great to meet	9/26/2024 1:28 PM

2024 Investment Seminar: "Optimizing Returns for North Dakota's Future"

members of the Investment Team in person.

18	Global economy and state investment implications because it was extremely interesting, timely, and relevant.	9/26/2024 10:00 AM
19	The session on technology impacting investing	9/25/2024 9:32 PM
20	The last two.	9/25/2024 3:45 PM
21	Comming from partisan politics I loved the presentation from Matt Gertken. His analysis to the election was amazing!!	9/25/2024 3:29 PM

Q9 After attending the seminar, do you feel you have a better understanding of the state's investment goals?

Answered: 22 Skipped: 3

#	RESPONSES	DATE
1	much better understanding	10/4/2024 9:22 AM
2	100%	10/4/2024 8:53 AM
3	Yes	10/3/2024 12:38 PM
4	Yes.	10/2/2024 9:13 AM
5	Currently goals and how you got to this point. Very informative.	10/1/2024 4:02 PM
6	Yes.	10/1/2024 3:27 PM
7	Yes - very thoughtful presentation	10/1/2024 2:54 PM
8	Just attended the morning - Yes	10/1/2024 2:14 PM
9	Yes, very good info!	10/1/2024 1:24 PM
10	Only a little bit- the main takeaway I walked away with was "we want to increase return on investment and protect our high-performing/strength sectors (status quo = ag + energy)"... whereas I was hoping to hear more about the guiding principles about how investment goals interface with state's general strategic plan in general... i.e., increase investment in tourism, align investment goals with regional community development plans, etc.,	10/1/2024 1:07 PM
11	Yes.	10/1/2024 1:03 PM
12	Yes	10/1/2024 12:59 PM
13	YES	10/1/2024 12:58 PM
14	Absolutely - the speakers were engaging, interesting and provided excellent feedback/topics	10/1/2024 12:58 PM
15	Absolutely.	10/1/2024 11:07 AM
16	Yes.	9/27/2024 2:09 PM
17	Yes.	9/26/2024 7:10 PM
18	Yes, definitely, especially efforts by ND to encourage entrepreneurs to support the State economy.	9/26/2024 1:28 PM
19	Yes	9/26/2024 10:00 AM
20	Yes	9/25/2024 9:32 PM
21	Yes. Although the topics were diffuse in relation to the wide audience.	9/25/2024 3:45 PM
22	Yea	9/25/2024 3:29 PM

Q10 What topics would you like the Retirement and Investment Office to address at future events?

Answered: 20 Skipped: 5

#	RESPONSES	DATE
1	not sure	10/4/2024 9:22 AM
2	In future years it would again be valuable to hear the latest thoughts of the CIO and various investment teams. It's always welcome to hear how an existing manager can better serve the RIO team. In terms of constructive feedback, and I did discuss some of this with the team at the event, I think RIO could conservatively charge investment managers more than in-state residents to ensure the event is properly funded. Separately, perhaps a wider audience of investors could benefit from the content and networking, like other local institutional or retail investors. I do hope RIO continues this new tradition.	10/4/2024 8:53 AM
3	n/a	10/3/2024 12:38 PM
4	It would be great if everyone had name tags at the next event. Thanks and it was a great event!	10/2/2024 9:13 AM
5	I believe tracks for different stakeholders (investors, legislators, community members) would be beneficial and allow for greater relevancy for each of those stakeholder groups.	10/1/2024 3:27 PM
6	As the Investment Office portfolio evolves, it would be great to have an update on the status and future allocations.	10/1/2024 2:54 PM
7	I would like to see more members of the legislature as well as Press in order for them to more fully understand SIB (maybe a free pass to get in would work). Great job!	10/1/2024 2:14 PM
8	Distribution/spending formulas from the various funds	10/1/2024 1:24 PM
9	I think an event specific to the private equity/investment portion of RIO's plan would be really helpful. It's the part that is most tricky, especially given this is public money.	10/1/2024 1:07 PM
10	Would be great to see a more detailed breakout of the investment holding, what managers are utilized and more detail on underlying performance by asset class.	10/1/2024 1:03 PM
11	1. This event should be held elsewhere in the state. 2. The event should be half a day, culminating in a networking lunch (if in the AM) or a networking reception (if in the PM).	10/1/2024 12:59 PM
12	Current allocations and plans for the next 12-18mos	10/1/2024 12:58 PM
13	Topics that I would be interested in are fund liabilities, funding ratios, overall return expectations, goals for each fund, what the Legacy Fund will be used for. Thank you!!!	10/1/2024 11:07 AM
14	I think the outside perspective is always beneficial. I'd suggest the same keynote speaker to provide an annual update on his perspectives. The other suggestion would be to try to limit the time to a 1/2 day. It is a lot of information to absorb - or schedule it 1/2 day in the afternoon of Day 1 and a 1/2 day in the morning of Day 2. Try to break up the content a bit.	9/27/2024 2:09 PM
15	I would suggest more time discussing various portfolios and what are the top considerations from an allocation perspective. I would invite some of your managers to discuss their views - we work for you and getting them to get involved helps further relationships. I also think doing a reception the night before for people - tap managers to help support as part of the building relationships and connections. Invite some of the local entrepreneurs to come and share their work. Great event that too many missed out on!	9/26/2024 7:10 PM
16	It would be helpful to get an overview of current asset allocation and potential changes/adjustments over the next 12 months.	9/26/2024 1:28 PM
17	Define roles of pension board trustees - what basic knowledge or skills are needed by trustees so that when they are asked to vote on plan changes or asset allocations, etc, it can be done competently?	9/26/2024 10:00 AM

2024 Investment Seminar: "Optimizing Returns for North Dakota's Future"

18	Geopolitics impacting North Dakota. Rio and others strategic planning	9/25/2024 9:32 PM
19	- Why investment objectives and economic development objectives cannot be blended - impact investing - a comparative analysis of the legacy fund to how other jurisdictions activate their sovereign wealth funds - an in-depth review/analysis/characterization of the private market segment in ND	9/25/2024 3:45 PM
20	I don't know what don't know, bring it	9/25/2024 3:29 PM

MEMORANDUM

TO: SIB
FROM: Ryan K. Skor, CFO/COO
DATE: October 21, 2024
RE: Annual Budget/Expense Report

Enclosed are the following budget and expense reports for the fiscal year ended June 30, 2023:

- Expenditure Summary
- Budget Appropriation Status
- PAS Modernization Project Summary
- Schedule of Consulting Expenses
- Schedule of Investment Expenses

Board Action Requested: Board acceptance.

RETIREMENT AND INVESTMENT OFFICE
EXPENDITURE SUMMARY REPORT
FISCAL YEAR ENDED JUNE 30, 2024

	TFFR		SIB		Total RIO	
	Actual Expenses	% of Total	Actual Expenses	% of Total	Actual Expenses	% of Total
<u>CONTINUING APPROPRIATIONS</u>						
INVESTMENT EXPENDITURES	\$ 17,460,324	5.8%	\$ 75,500,797	94.9%	\$ 92,961,121	24.4%
MEMBER CLAIMS						
ANNUITY PAYMENTS	265,434,894		-		265,434,894	
REFUND PAYMENTS	12,225,640		-		12,225,640	
TOTAL MEMBER CLAIMS	277,660,534	92.3%	-	0.0%	277,660,534	73.0%
OTHER CONTINUING APPROPRIATIONS	800,029	0.3%	1,413,674	1.8%	2,213,703	0.6%
TOTAL CONTINUING APPROPRIATIONS	295,920,887	98.4%	76,914,471	96.7%	372,835,359	98.0%
<u>APPROPRIATED EXPENDITURES</u>						
SALARIES AND BENEFITS	1,514,186	0.5%	2,940,179	3.7%	4,454,366	1.2%
OPERATING EXPENSES *	2,923,419	1.0%	218,219	0.3%	3,141,639	0.8%
SIB EXPENSES ALLOCATED TO TFFR	500,628		(500,628)		-	
TOTAL APPROPRIATED EXPENDITURES	4,938,234	1.6%	2,657,771	3.3%	7,596,004	2.0%
TOTAL EXPENDITURES	\$ 300,859,121		\$ 79,572,242		\$ 380,431,363	

RETIREMENT AND INVESTMENT OFFICE
2021-2023 BIENNIUM APPROPRIATION STATUS REPORT
AS OF JUNE 30, 2024

				EXPENDITURES		
	2023-2025 BUDGET	ADJUSTED APPROPRIATION	BIENNIUM TO DATE ACTUAL	BUDGET AVAILABLE	% BUDGET AVAILABLE	% OF BIENNIUM REMAINING
SALARIES AND BENEFITS	\$ 8,910,047.00	9,466,151.30 **	4,454,365.82	\$ 5,011,785.48	52.94%	50.00%
OPERATING EXPENDITURES	2,869,937.00	4,277,560.00 *	1,571,236.08	2,706,323.92	63.27%	50.00%
CAPITAL ASSETS	0.00	4,150,213.50	1,570,402.50	2,579,811.00	62.16%	50.00%
CONTINGENCY	200,000.00	200,000.00	0.00	200,000.00	100.00%	50.00%
TOTAL	\$ <u>11,979,984.00</u>	\$ <u>18,093,924.80</u>	\$ <u>7,596,004.40</u>	<u>10,497,920.40</u>	<u>58.02%</u>	<u>50.00%</u>

* In addition to the Capital Assets line the operating expenditure budget includes \$1,407,623 for the TFFR Pension Administration System Project.

** Additional salary is attributed to the vacancy pool created for the 2023-2025 biennium as well as \$50,000 salary from the Pension Administration System Project budget.

RETIREMENT AND INVESTMENT OFFICE
SCHEDULE OF CONSULTING EXPENSES
FOR THE YEARS ENDED JUNE 30, 2024 and 2023

	Pension Trust		Investment Trust	
	2024	2023	2024	2023
Actuary fees:				
Segal Consulting	\$ 11,813	\$ 121,476	\$ -	\$ -
GRS Consulting	94,329	30,000		
Total Actuary Fees	106,142	151,476	-	-
Auditing/Accounting fees:				
CliftonLarsonAllen LLP	69,954	15,750	17,182	15,750
Project management fees:				
Segal Consulting	322,926	255,599	-	-
Disability consulting fees:				
Sanford Health	360	250	-	-
Legal fees:				
K&L Gates LLP	-	1,351	-	(1,351)
Jackson Walker LLP	55,223	12,101	141,833	44,659
ND Attorney General	11,985	12,747	25,079	17,268
Total legal fees:	67,208	26,199	166,912	60,576
Total consultant expenses	<u>\$ 566,589</u>	<u>\$ 449,274</u>	<u>\$ 184,094</u>	<u>\$ 76,326</u>

PAS MODERNIZATION PROJECT
Budget vs Actual as of June 30, 2024

	Budget	Actual Paid	Committed/ Not Yet Paid	Budget Status
Salaries	\$ 50,000	\$ -	\$ -	\$ 50,000
Operating	2,650,000	1,971,612	70,091	608,297
Capital Assets	6,300,000	3,720,188	330,996	2,248,816
Total Project Budget	<u>\$9,000,000</u>	<u>\$ 5,691,800</u>	<u>\$ 401,087</u>	<u>\$ 2,907,113</u>

ND State Investment Board
Schedule of Investment Expenses

	FY 2024				FY 2023			
	Average Market Value	Fees in \$	Fees as % of Average MV	Contribution to Total Fees	Average Market Value	Fees in \$	Fees as % of Average MV	Contribution to Total Fees
Investment managers' fees:								
Global equity managers	-	-	0.00%	0.00%	153,414,649	1,256,475	0.82%	0.01%
Domestic large cap equity managers	5,022,376,558	8,428,639	0.17%	0.04%	3,901,008,851	5,248,183	0.13%	0.03%
Domestic small cap equity managers	704,679,947	4,999,743	0.71%	0.02%	710,028,452	4,766,011	0.67%	0.03%
Developed international equity managers	3,569,014,017	7,816,942	0.22%	0.04%	2,794,383,481	8,253,205	0.30%	0.04%
Emerging markets equity managers	226,784,639	524,960	0.23%	0.00%	205,361,541	1,003,763	0.49%	0.01%
Investment grade domestic fixed income managers	5,062,162,938	9,963,091	0.20%	0.05%	5,082,705,814	9,276,058	0.18%	0.05%
Below investment grade fixed income managers	563,736,290	9,902,568	1.76%	0.05%	757,991,840	13,916,976	1.84%	0.07%
High Yield Fixed Income	658,794,934	415,717	0.06%	0.00%	-	-	0.00%	0.00%
Private Credit	511,065,967	14,679,413	2.87%	0.07%	-	-	0.00%	0.00%
In State Equity	43,093,869	1,000,000	2.32%	0.00%	-	-	0.00%	0.00%
In State Fixed Income	289,646,516	-	0.00%	0.00%	-	-	0.00%	0.00%
Real estate managers	1,307,938,288	6,638,665	0.51%	0.03%	1,481,965,576	451,825	0.03%	0.00%
TIPS managers	258,516,996	375,322	0.15%	0.00%	540,756,966	632,633	0.12%	0.00%
Timber managers	79,355,992	698,886	0.88%	0.00%	117,024,703	814,521	0.70%	0.00%
Infrastructure managers	1,061,654,886	12,430,748	1.17%	0.06%	922,643,719	18,183,038	1.97%	0.10%
Private equity managers	882,441,402	10,144,002	1.15%	0.05%	839,335,084	9,089,546	1.08%	0.05%
Short term bond managers	1,008,183,898	1,058,706	0.11%	0.00%	780,813,029	879,205	0.11%	0.00%
Balanced fund managers	257,527,269	1,106,726	0.43%	0.01%	237,744,407	1,041,946	0.44%	0.01%
Cash & equivalents managers	164,981,089	91,120	0.06%	0.00%	170,662,726	261,127	0.15%	0.00%
Total investment management fees	21,671,955,496	90,275,247	0.42%		18,695,840,839	75,074,513	0.40%	
Custodian fees		1,710,250	0.01%	0.01%		1,457,180	0.01%	0.01%
Investment consultant fees		838,442	0.00%	0.00%		781,620	0.00%	0.00%
SIB Administrative fees		4,797,555	0.02%	0.02%		3,620,374	0.02%	0.02%
Total investment expenses		97,621,495	0.45%			80,933,686	0.43%	
Performance/Incentive Fees (included in totals above)								
Domestic large cap equity managers		3,392,113	0.07%	0.02%		810,463	0.02%	0.00%
Domestic small cap equity managers		-	0.00%	0.00%		-	0.00%	0.00%
Developed international equity managers		-	0.00%	0.00%		850,152	0.03%	0.00%
Emerging markets equity managers		-	0.00%	0.00%		8,584	0.00%	0.00%
Investment grade domestic fixed income managers		3,568,760	0.07%	0.01%		1,027,773	0.02%	0.00%
Below investment grade fixed income managers		12,796,625	1.71%	0.04%		5,935,721	0.78%	0.03%
Real estate managers		(1,539,989)	-0.12%	-0.01%		(7,840,771)	-0.53%	-0.04%
Infrastructure managers		2,230,606	0.21%	0.01%		8,305,051	0.90%	0.04%
Total Performance Fees Paid (excluding private equity)		20,448,114	0.09%			9,096,973	0.05%	
Breakdown of Total Fees by Pool								
Pension	7,630,180,809	41,746,069	0.55%		6,971,571,671	34,031,341	0.49%	
Insurance	3,224,003,504	7,597,663	0.24%		2,899,814,778	7,122,555	0.25%	
Legacy	10,559,591,815	47,150,308	0.45%		8,586,065,828	38,824,292	0.45%	

MEMORANDUM

TO: SIB
FROM: Jan Murtha, Executive Director
DATE: October 17, 2024
RE: Executive Limitations

A verbal update will be provided at the meeting on staff relations and strategic planning. Including updates on the following topics:

I. Retirements/Resignations/FTE's/Temporary Assistance:

Position Title	Status
Private Markets Senior Investment Analyst	Interviews scheduled. Vacancy due to internal transfer.
Public Funds Investment Analyst	Interviews scheduled. Vacancy due to internal transfer.
Internal Fixed Income Investment Analyst (new)	Posting closes 10-24-24.
Internal Equity Investment Analyst (new)	Posting pending.
Investment Administrative Assistant (new)	Posting pending.

II. Current Project Activities/Initiatives:

- **Investment Program Software Solutions:** An update on these activities and next steps will be provided by CIO Anderson.
- **TFFR Pioneer Project:** There have been some adjustments to the project schedule. The tentative go live date is December 2024.
- **Legislative Session Planning:** Staff is assisting both the SIB and TFFR GPR committees in preparing recommendations regarding positions for both boards on draft legislation for the upcoming legislative session.

III. Executive Director Activities

Executive Director activities between the September SIB meeting and October SIB meeting include:

- Prepared materials for and/or attended the following meetings:
 - 10-3-24 University of Mary State Career Day panel.
 - 10-4-24 through 10-9-24 NCTR annual conference.
 - 10-16-24 TFFR PAS Project ESC meeting.
 - 10-17-24 Investment Committee meeting.
 - 10-21-24 SIB GPR Committee meeting.
 - 10-25-24 SIB Board meeting.

- I also had several external meetings and discussions with legislators and other agency leaders on program operations and state-wide initiatives, as well as internal meetings with consultants, direct reports, executive team, manager, all staff, and division specific meetings.
- I attended the NCTR (National Council on Teacher Retirement) Annual Conference in October and moderated a panel on securities litigation at the conference.
- I participated in the University of Mary State Career Day panel at the Gary Tharaldson School of Business.

Board Action Requested: Board acceptance.