

Friday, April 25, 2025, 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. Introduction of New Staff

II. ACCEPTANCE OF MINUTES (March 28, 2025) (*Board Action*)

III. INVESTMENTS (45 minutes)

- A. Internal Investment Initiative Update (*Information*) – Mr. Anderson
- B. Quarterly Performance Update (*Board Action*) – Mr. Anderson

IV. EDUCATION (30 minutes) (*Information*)

- A. Country Risk – Mr. Vaidya

(Break)

V. GOVERNANCE (45 minutes)

- A. 2025 Legislative Session Update (*Information*) – Ms. Smith
- B. Investment Committee Update (*Information*) – Treasurer Beadle, Mr. Anderson
- C. Executive Review & Compensation Committee Update (*Information*) – Dr. Lech, Ms. Seiler
 - 1. Board Self-Assessment Results (*Board Action*) – Dr. Lech, Ms. Seiler
- D. Executive Search Update – Ms. Seiler, Ms. Smith
- E. Board Calendar & Education Plan (*Board Action*) – Ms. Smith
 - 1. 2025-26 Board/Committee Schedule

VI. QUARTERLY MONITORING REPORTS (20 minutes) (*Board Action*)

- A. Annual Compliance Report – Mr. Vaidya
- B. Quarterly Investment Ends Report – Mr. Posch
- C. Quarterly Budget/Fiscal Conditions Report – Ms. Kmetz
- D. Quarterly Outreach Report – Ms. Mudder

VII. OTHER

- A. Next Meetings:
 - SIB GPR Committee – April 30, 2025, at 2:30 p.m.
 - SIB ERCC – May 7, 2025, at 10:00 a.m.
 - Audit Committee – May 8, 2025, at 2:30 p.m.
 - Investment Committee – May 9, 2025, at 9:00 a.m.
 - SIB Meeting – May 16, 2025, at 8:30 a.m.

VIII. ADJOURNMENT

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
MARCH 28, 2025, BOARD MEETING (IN-PERSON)**

MEMBERS PRESENT:

Kelly Armstrong, Governor, Chair
Dr. Rob Lech, TFFR Board, Vice Chair
Thomas Beadle, State Treasurer, Parliamentarian
Pete Jahner, Investment Professional
Sen. Jerry Klein, LBSFAB
Cody Mickelson, TFFR Board
Adam Miller, PERS Board
Joe Morrisette, Director of OMB
Dr. Prodosh Simlai, Investment Professional
Gerald Buck, PERS Board,
Art Thompson, Director of WSI

MEMBERS ABSENT:

Rep. Glenn Bosch, LBSFAB
Joseph Heringer, Commissioner of Univ. & School Lands

STAFF PRESENT:

Scott M. Anderson, CIO
Eric Chin, Deputy CIO/Head of AFM
Cory Cox, Public Funds Analyst
Derek Dukart, Sr. Investment Analyst
Jennifer Ferderer, Fiscal/Investment Admin.
Chirag Gandhi, Portfolio Mgr.
Brian Hermanson, Investment Accountant
Rachel Kmetz, Interim CFO/COO
Missy Kopp, Executive Assistant
Robbie Morey, Investment Accountant
George Moss, Portfolio Mgr.
Sarah Mudder, Communications/Outreach Dir.
Matt Posch, Portfolio Mgr.
Emmalee Riegler, Procurement/Records Coord.
Chad Roberts, DED/CRO
Mike Schmitcke, Sr. Investment Accountant
Sara Seiler, Supervisor of Internal Audit
Jodi Smith, Interim Executive Director
Nitin Vaidya, Chief Risk Officer
Jason Yu, Risk Officer
Lance Zietlow, Portfolio Mgr.

GUESTS:

Marc Gesell, Verus
Eileen Neill, Verus
Members of the Public

CALL TO ORDER:

Gov. Armstrong, Chair, called the State Investment Board (SIB) regular meeting to order at 8:30 a.m. on Friday, March 28, 2025. The meeting was held virtually.

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

AGENDA:

The Board considered the agenda for the March 28, 2025, SIB meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 28, 2025, AGENDA.

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

MINUTES:

The Board considered the minutes of the February 21, 2025, SIB meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE FEBRUARY 21, 2025, MINUTES AS DISTRIBUTED.

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

The order of agenda items was adjusted to allow Ms. Smith to leave the meeting for a legislative hearing.

GOVERNANCE:

2025 Legislative Session Update:

Ms. Smith provided an update on legislative activities that affect RIO and the SIB program. HB 1022, RIO's budget bill, had many amendments added by the Senate subcommittee. Ms. Smith emailed Board members to inform them of these amendments which removed a large amount of funding from the budget, the internal audit (IA) FTE, and limited the incentive compensation program. Ms. Smith attended a committee hearing in the morning and the committee removed most of the amendments, restoring the previous budget amounts and the IA FTE. There will be committee work on the bill today.

HB 1319, which would call for the creation of a Legacy Fund website, has been amended to make the bill less prescriptive. This bill will go to the House Appropriations committee next week. HB 1330 which would require some divestment from China has been amended to give the SIB the ability to do large scale infrastructure investments. This bill will be on the Senate floor today. In case 1330 doesn't pass an amendment has also been added to HB 1579 which mirrors the language about the large infrastructure investments. Board discussion followed.

Governance & Policy Review (GPR) Committee Update:

Ms. Smith provided an update from the March 5, 2025, GPR Committee meeting. Staff brought a recommendation to the committee to update the new board member onboarding videos that are out of date and to move them to RIO's YouTube channel. That recommendation is included for board approval today. The Committee also discussed the annual review of the SIB Governance Manual. Dr. Lech provided an overview of the board governance history and model. The Committee recommends completing a governance audit to review the model and determine if the current model is still the best option for the board. Board discussion followed.

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY MR. MORRISSETTE AND CARRIED BY A ROLL CALL VOTE TO DESIGNATE AUTHORITY TO THE GPR COMMITTEE TO ISSUE AN RFP, SELECT A FIRM, AND COMPLETE AN SIB GOVERNANCE AUDIT WITH A FINAL REPORT AND RECOMMENDATION GIVEN TO THE SIB.

AYES: SEN. KLEIN, DR. SIMLAI, MR. BUCK, MR. MORRISSETTE, MR. MICKELSON, MR. MILLER, TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, DR. LECH, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTION CARRIED

Agency Strategic Plan Review:

Ms. Smith reviewed RIO's strategic plan including strategic goals from 2023 and 2024. For 2025, the agency plans to focus on optimization across the agency. The goals and activities that are recommended for the upcoming year include a continued effort to be an industry leader. To accomplish this goal staff will continue to work on recruiting a new ED and CFOO, complete a project to move all network folders to SharePoint, and implement the investment operations compliance plan.

The agency will work to create succession plans for the four executive team positions to ensure the continuity of operations for RIO. The last goal is to identify pockets of innovation across the agency to increase efficiency. Staff will also work to implement any actions required by legislation that is passed and complete the governance audit. Board discussion followed.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE AGENCY STRATEGIC PLAN REVIEW.

AYES: TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, MR. MORRISSETTE, DR. SIMLAI, DR. LECH, MR. MILLER, MR. BUCK, SEN. KLEIN, MR. MICKELSON, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTION CARRIED

Executive Review & Compensation Committee (ERCC) Update:

Ms. Smith reviewed the discussion from the ERCC meeting on February 26, 2025. The Committee met to discuss the incentive compensation plan. There has been extensive discussion of the plan during the legislative session, so the Committee thought it was important to review the activity surrounding this plan. After discussion the Committee concurred that there should be no changes to the plan for the current fiscal year. Ms. Smith shared the staff's concerns about the effect that legislation that removes positions from the plan could have on current recruitment efforts. Board discussion followed.

REPORTS:

Executive Limitations/Staff Relations:

Ms. Smith provided a staffing update. Mr. Vaidya, the Chief Risk Officer, will be retiring later this year. The CFOO position was posted, and staff expect to post the ED position early next week. Ms. Smith reviewed current projects and ongoing activities. The Board was provided with a list of board and committee presentations provided by RIO staff during the second quarter. Board discussion followed.

INVESTMENTS:

Consultant Quarterly Performance Update:

Ms. Eileen Neill, Verus, provided the performance update for the quarter ended December 31, 2024. The discussion began by setting the macroeconomic context, focusing on GDP and inflation as key capital market drivers. The consolidated pension trust was highlighted for its strong implementation, with low tracking error, consistent outperformance, and positive risk-adjusted returns. Peer comparisons revealed the fund's above-median performance with lower risk over five and ten years.

The Legacy Fund, although historically more conservative and heavier in fixed income, has begun shifting toward private equity. Its performance has improved, with strong risk-adjusted returns recently. Finally, the insurance fund shows minimal growth due to its purpose of maintaining capital while paying out claims. Overall, the funds show solid performance, thoughtful risk control, and positive trajectory. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MORRISSETTE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY PERFORMANCE UPDATE.

AYES: MR. MORRISSETTE, MR. MILLER, SEN. KLEIN, MR. MICKELSON, DR. LECH, MR. JAHNER, MR. BUCK, MR. THOMPSON, DR. SIMLAI, TREASURER BEADLE, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTION CARRIED

Benchmark Memo:

After the departure of the CFO, staff began reviewing performance benchmarks more closely and reached out to Verus for clarification and validation. Mr. Gesell, Verus reviewed the current practices, recommended clarifications for the current fiscal year and suggested improvements for subsequent years. Every asset class outperformed its benchmark last quarter which highlights the importance of having appropriate benchmarks to measure against. Annual review of benchmarks is considered best practice. Mr. Gesell reviewed the recommended clarifications. The IC reviewed and discussed the benchmark memo ahead of the SIB meeting. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE BENCHMARK MEMO.

AYES: SEN. KLEIN, MR. BUCK, DR. LECH, MR. MILLER, TREASURER BEADLE, DR. SIMLAI, MR. MICKELSON, MR. JAHNER, MR. THOMPSON, MR. MORRISSETTE, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTION CARRIED

Internal Investment Initiative Update:

Mr. Anderson provided an update on the internal investment program. The IT system went live on March 10, 2025, and internal trading will start on April 1, 2025. Everything is in place for trading except for the system required for futures trading which will be ready in 4-6 weeks. Staff continue to train and test the system. Mr. Anderson reviewed the outlined trading pilot and the list of completed and future activities for the program. Board discussion followed.

GOVERNANCE (CONT'D):

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the March 14, 2025, IC meeting. The Investment Committee held an in-depth strategy review with NEPC, who will propose adjustments to the pension pool's asset allocation. The internal investment rollout is launching a \$285M pilot next week, with structural changes underway to enhance in-house capabilities. In closed session, the committee approved a \$50M commitment to a new private credit manager and the termination of an underperforming international equity manager. Additionally, they finalized an extra \$150M commitment to 50 South Capital, bringing total support for in-state investments to \$250M.

Audit Committee Update:

Treasurer Beadle provided an update from the March 25, 2025, Audit Committee meeting. The Committee reviewed second quarter and current audit activities. Staff provided updates on IA involvement for the pension administration system (PAS) that was launched in February. IA staff had a kick-off meeting with Weaver launching the first formal investment audit. This consultant will also train internal audit staff, helping build in-house expertise in investment oversight. With only two current audit staff, there's a hope to expand the team soon, marking a big step forward in strengthening internal audit capabilities.

Executive Search Committee Update:

Dr. Lech provided an update for the ongoing executive searches. The Executive Search Committee met multiple times to determine the recruitment process and timeline and to hire EFL CBIZ as the executive search firm. The Committee reviewed a draft job description for the Executive Director (ED) which has been brought to the SIB for final approval. Board discussion followed.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE UPDATED ED JOB DESCRIPTION.

AYES: DR. SIMLAI, MR. BUCK, TREASURER BEADLE, SEN. KLEIN, MR. THOMPSON, DR. LECH, MR. JAHNER, MR. MORRISSETTE, MR. MICKELSON, MR. MILLER, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTOIN CARRIED

REPORTS (CONT'D):

Quarterly Audit activities Report:

IA is currently working on the Executive Limitations audit for 2024. The Supervisor of IA is the staff person responsible for the Executive Search Committee and is working with other staff on the recruitment of the ED and the Chief Financial and Operations Officer (CFOO). During the quarter IA conducted an exit interview, provided support to the external auditors, and progressed through the IA maturity project. IA staff initiated the co-sourcing work with the consultant who will conduct 2-3 audits per year focused on the investment program. The process will include knowledge transfer to RIO IA staff.

Quarterly Budget/Fiscal Conditions:

Ms. Kmetz reviewed the quarterly budget/fiscal conditions report for the period ended December 31, 2024. The report includes the budget appropriation status, expenditure summary, and the PAS project status.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE AUDIT ACTIVITIES, BUDGET/FISCAL CONDITIONS, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.

AYES: MR. THOMPSON, MR. BUCK, MR. MORRISSETTE, MR. MILLER, MR. JAHNER, MR. MICKELSON, DR. SIMLAI, DR. LECH, SEN. KLEIN, TREASURER BEADLE, AND GOV. ARMSTRONG

NAYS: NONE

ABSENT: REP. BOSCH AND COMMISSIONER HERINGER

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 10:33 a.m.

Prepared by: Missy Kopp, Assistant to the Board

INTERNAL INVESTMENT MANAGEMENT UPDATE

Scott M Anderson, CFA
April 17, 2025

NORTH
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Retirement & Investment

UPDATE: OEMS, TRADING, & STAFFING

- Successful onboarding of Aladdin Order and Execution (OEMS)
- Hyper-care phase of Aladdin implemented to ensure that system is working in Live environment
- Pilot program was funded with \$285 million
 - \$275 million in Fixed Income and Equity strategies
 - \$10 million in Cash Overlay strategies
- Staffing update:
 - Fixed Income Analyst position successfully filled
 - Public Markets Analyst position was posted, and candidates are currently being reviewed

INVESTMENT PERFORMANCE

Scott M. Anderson, CFA – Chief Investment Officer

April 17, 2025



Retirement & Investment

THE MARKET

N O R T H
Dakota
Be Legendary.

Retirement & Investment

PERFORMANCE – BENCHMARK INDICES

Summary of Returns February 25, 2025					
Benchmark Indices (% change, annualized)	YTD	1 Yr	5 Yr	10 Yr	10 Yr Volatility
Russell 1000	1.3%	18.3%	15.2%	12.6%	18.0%
Russell 2000	-2.6%	9.0%	8.1%	7.2%	22.9%
S&P 500	1.4%	18.6%	15.5%	12.9%	17.8%
MSCI ACWI IMI Net	2.9%	14.7%	11.2%	8.9%	14.4%
MSCI World ex US	7.8%	10.3%	7.8%	5.5%	14.4%
MSCI Emerging Markets	4.6%	11.8%	3.7%	3.7%	15.8%
Bloomberg Aggregate	2.2%	5.4%	-0.5%	1.4%	4.8%
Bloomberg Gov/Credit	2.2%	5.1%	-0.5%	1.6%	5.1%
Bloomberg US High Yield	1.9%	9.9%	4.5%	5.1%	5.2%
NCREIF Property Index (12/31/2024)	0.4%	0.4%	3.1%	5.7%	4.1%

Source: Bloomberg

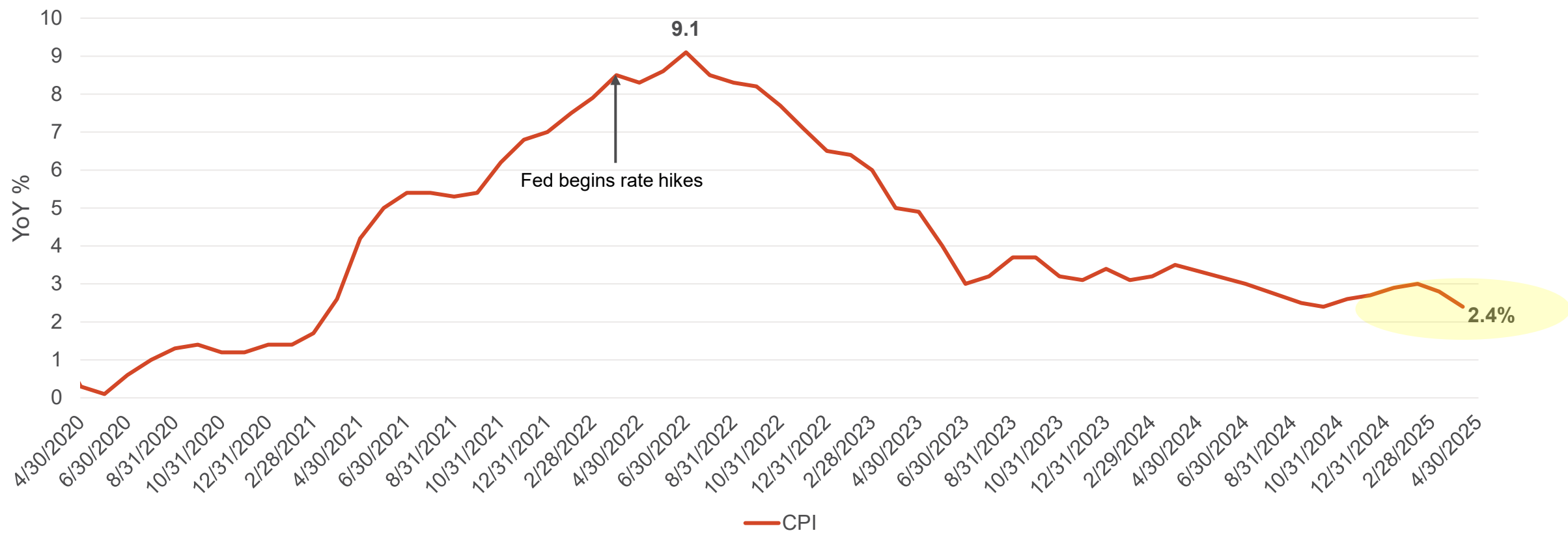
PERFORMANCE – BENCHMARK INDICES

Summary of Returns April 11, 2025					
Benchmark Indices (% change, annualized)	YTD	1 Yr	5 Yr	10 Yr	10 Yr Volatility
Russell 1000	-8.8%	4.1%	15.6%	11.5%	18.5%
Russell 2000	-16.3%	-7.7%	9.8%	5.4%	23.3%
S&P 500	-8.5%	4.6%	15.7%	11.8%	18.3%
MSCI ACWI IMI Net	-6.0%	2.8%	12.6%	7.8%	14.7%
MSCI World ex US	2.1%	3.3%	10.5%	4.8%	14.8%
MSCI Emerging Markets	-2.2%	1.5%	5.9%	2.6%	16.1%
Bloomberg Aggregate	1.1%	5.3%	-0.9%	1.3%	4.8%
Bloomberg Gov/Credit	1.0%	5.0%	-0.9%	1.4%	5.1%
Bloomberg US High Yield	-1.4%	6.1%	6.1%	4.7%	5.2%
NCREIF Property Index (12/31/2024)	0.4%	0.4%	3.1%	5.7%	4.1%

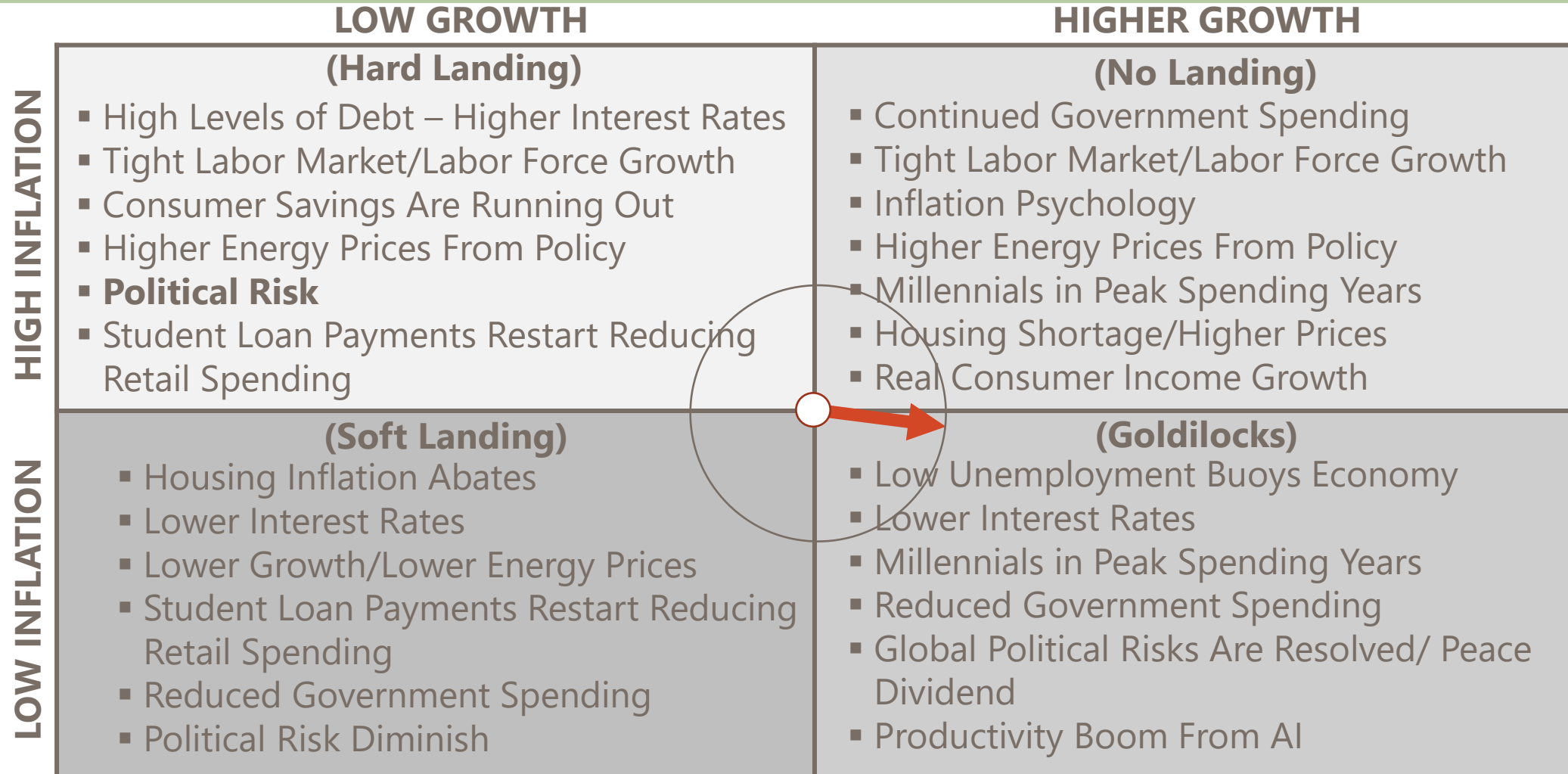
Source: Bloomberg

INFLATION PAST 5 YEARS

Annual Inflation Rate



COMPETING NARRATIVES



GOOD NEWS¹

BLOOMBERG AGG YIELD¹: 4.86%



**BEST GUESS FOR
FUTURE BOND
RETURN!**

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

Tariffs – IC Musings

SHORT

Economic Uncertainty
Build Up of Buffer Inventories
Lower Capital Market Prices
Pause on Custom Clearances
Pause on Capital Spending
Higher Credit Risks
Skilled Labor Shortage
Lower Business and Consumer Confidence
Less Bank Lending

MEDIUM

Higher Prices of Imports/US Labor
Higher Costs of Operations
Political Conflict
Lower Demand For Dollar?
Lower Demand For US Treasuries?
More FDI in US?
More Capital Spending?
Change of Supply Routes
Change of Manufacturing Location
Massive Industrial Education Program?

LONG

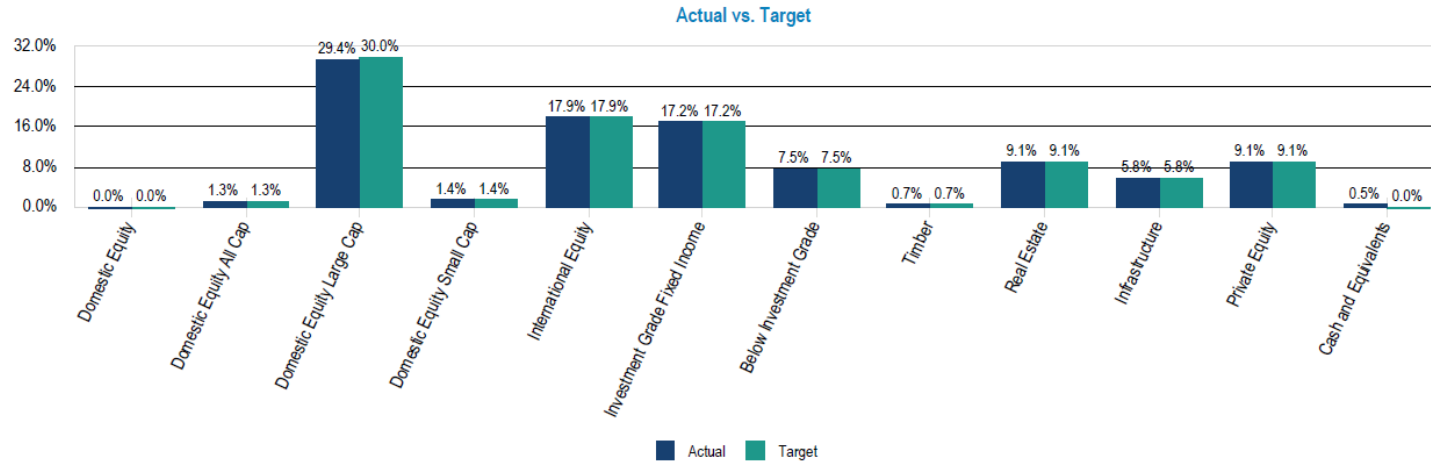
Lower China Concentration
Automation of Industry
Production Near Demand
Federated Trading System
Lower US Budget Deficits?
More Resilient Supply Chains
Strategic Industry Onshoring
More Economic Equality?
More US Infrastructure Spend?
Melding of the Virtual and Physical

PERFORMANCE

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Retirement & Investment

PERS ASSET ALLOCATION



Allocation vs. Policy

	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Domestic Equity	753,446	0.0	0.0		753,446
Domestic Equity All Cap	60,123,693	1.3	1.3	60,095,228	28,465
Domestic Equity Large Cap	1,364,500,891	29.4	30.0	1,389,192,076	-24,691,186
Domestic Equity Small Cap	66,432,036	1.4	1.4	65,103,163	1,328,873
International Equity	830,141,235	17.9	17.9	831,920,126	-1,778,890
Investment Grade Fixed Income	796,901,551	17.2	17.2	796,910,946	-9,395
Below Investment Grade	349,586,575	7.5	7.5	348,607,965	978,609
Timber	33,843,299	0.7	0.7	33,803,566	39,734
Real Estate	422,261,748	9.1	9.1	422,289,537	-27,789
Infrastructure	266,891,924	5.8	5.8	266,858,053	33,872
Private Equity	422,158,304	9.1	9.1	422,196,797	-38,494
Cash and Equivalents	23,382,755	0.5	0.0		23,382,755
Total	4,636,977,457	100.0	100.0	4,636,977,457	

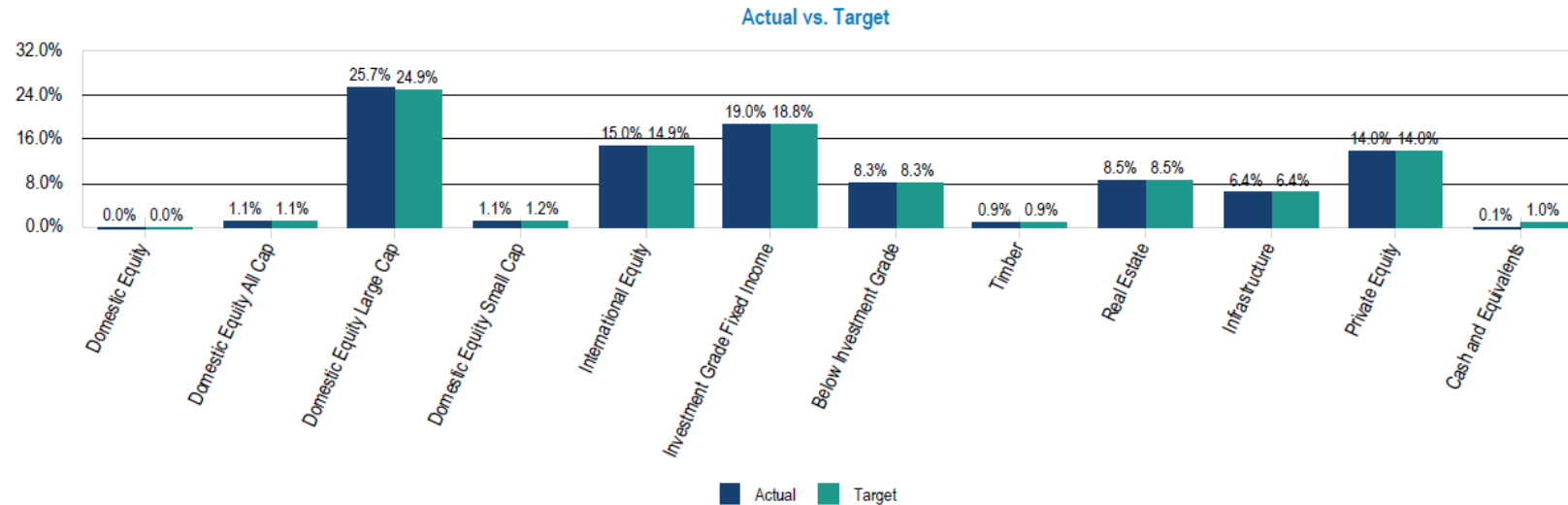
1. February 2025 values – Verus

PERS PERFORMANCE

As of February 28, 2025 PERS \$4.6 Billion	Year to Date	1 Year	3 year	5 Year	10 Year	Risk (5 Year)
Total Fund Return - Net	2.2%	9.4%	4.9%	8.6%	7.2%	9.9%
Policy Benchmark Return	2.0%	9.4%	4.6%	8.2%	6.8%	10.4%
Total Relative Return ¹	0.2%	0.0%	0.3%	0.4%	0.4%	

Small Cap Managers
And International Managers

TFFR ASSET ALLOCATION



Allocation vs. Policy

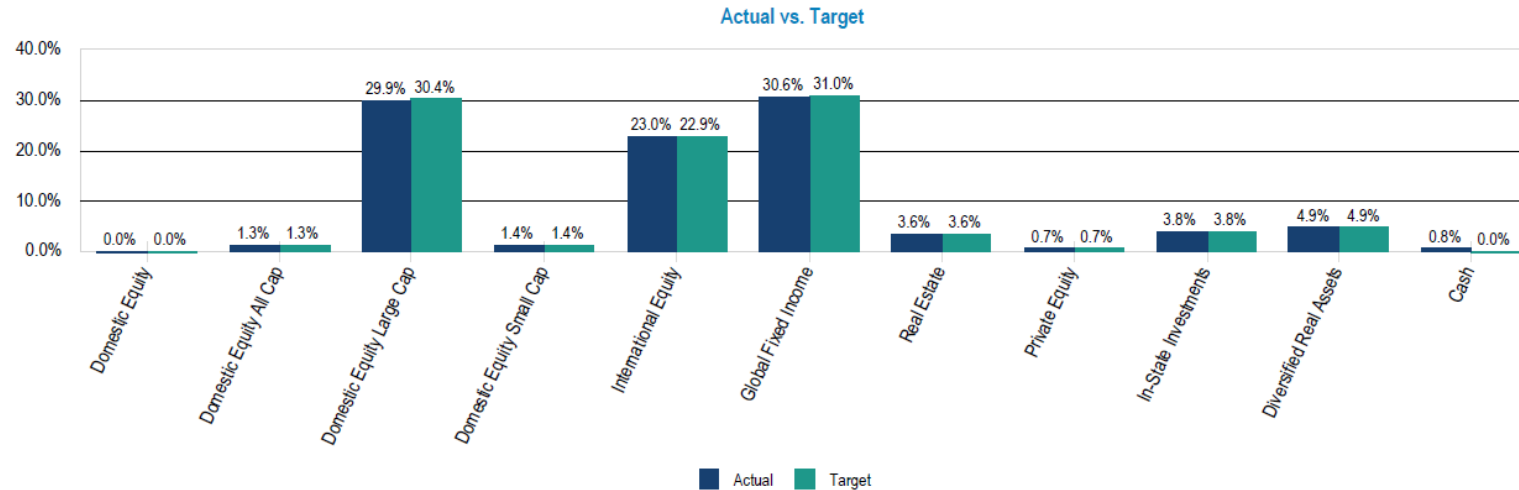
	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Domestic Equity	473,054	0.0	0.0		473,054
Domestic Equity All Cap	38,121,809	1.1	1.1	38,130,192	-8,383
Domestic Equity Large Cap	877,439,316	25.7	24.9	851,825,073	25,614,243
Domestic Equity Small Cap	39,285,905	1.1	1.2	39,942,659	-656,754
International Equity	513,025,323	15.0	14.9	510,773,587	2,251,736
Investment Grade Fixed Income	648,341,474	19.0	18.8	642,228,707	6,112,767
Below Investment Grade	282,152,333	8.3	8.3	285,446,380	-3,294,047
Timber	30,209,498	0.9	0.9	30,196,376	13,122
Real Estate	289,652,719	8.5	8.5	289,652,670	49
Infrastructure	218,637,914	6.4	6.4	218,624,501	13,413
Private Equity	478,732,344	14.0	14.0	478,730,547	1,797
Cash and Equivalents	3,676,485	0.1	1.0	34,197,482	-30,520,996
Total	3,419,748,174	100.0	100.0	3,419,748,174	

1. February 2025 values – Versus

TFFR PERFORMANCE

As of February 28, 2025 TFFR \$3.4 Billion	Year to					Risk	
	Date	1 Year	3 year	5 Year	10 Year	(5 Year)	
	Total Fund Return - Net	2.1%	9.0%	4.5%	8.3%	7.1%	9.4%
	Policy Benchmark Return	1.9%	8.9%	4.2%	7.8%	6.6%	9.8%
Total Relative Return ¹	0.2%	0.1%	0.3%	0.5%	0.5%		

LEGACY ASSET ALLOCATION



Allocation vs. Policy

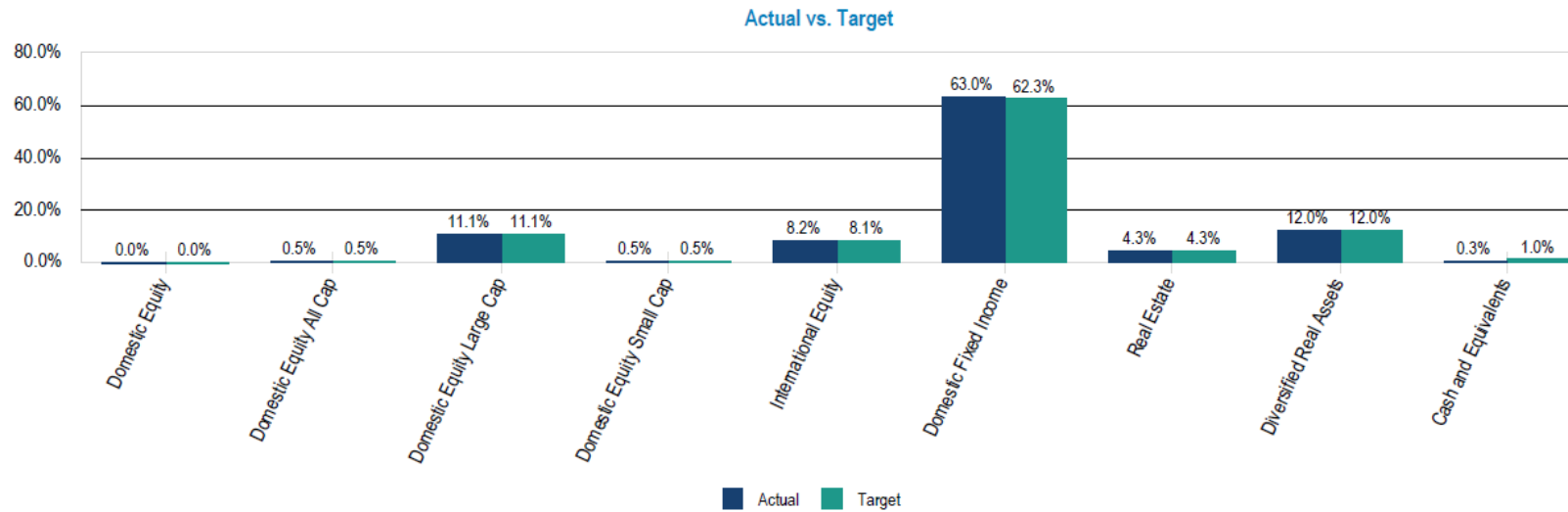
	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Domestic Equity	2,619,584	0.0	0.0		2,619,584
Domestic Equity All Cap	160,582,809	1.3	1.3	160,571,514	11,295
Domestic Equity Large Cap	3,617,780,158	29.9	30.4	3,680,550,981	-62,770,823
Domestic Equity Small Cap	166,008,631	1.4	1.4	172,559,885	-6,551,254
International Equity	2,790,650,919	23.0	22.9	2,773,188,722	17,462,198
Global Fixed Income	3,711,473,260	30.6	31.0	3,753,449,964	-41,976,703
Real Estate	431,026,257	3.6	3.6	430,975,881	50,375
Private Equity	84,047,538	0.7	0.7	84,039,691	7,847
In-State Investments	465,100,430	3.8	3.8	465,124,574	-24,144
Diversified Real Assets	589,046,166	4.9	4.9	589,004,408	41,758
Cash	91,129,868	0.8	0.0		91,129,868
Total	12,109,465,621	100.0	100.0	12,109,465,621	

1. February 2025 values – Verus

LEGACY PERFORMANCE

As of February 28, 2025 Legacy Fund \$12.1 Billion	Year to					Risk	
	Date	1 Year	3 year	5 Year	10 Year	(5 Year)	
	Total Fund Return - Net	2.5%	10.0%	5.3%	7.5%	6.5%	10.7%
	Policy Benchmark Return	2.3%	9.8%	4.2%	6.7%	5.8%	10.6%
Total Relative Return ¹	0.2%	0.2%	1.1%	0.8%	0.7%		

WSI ASSET ALLOCATION



Allocation vs. Policy

	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Domestic Equity	237,994	0.0	0.0		237,994
Domestic Equity All Cap	11,643,229	0.5	0.5	11,832,475	-189,246
Domestic Equity Large Cap	244,274,779	11.1	11.1	245,419,186	-1,144,407
Domestic Equity Small Cap	11,189,562	0.5	0.5	11,501,959	-312,396
International Equity	179,968,804	8.2	8.1	179,161,734	807,070
Domestic Fixed Income	1,388,402,543	63.0	62.3	1,373,382,332	15,020,211
Real Estate	95,013,216	4.3	4.3	95,012,348	868
Diversified Real Assets	265,083,864	12.0	12.0	265,095,908	-12,044
Cash and Equivalents	7,626,353	0.3	1.0	22,034,403	-14,408,050
Total	2,203,440,344	100.0	100.0	2,203,440,344	

1. February 2025 values – Verus

WSI PERFORMANCE

As of February 28, 2025

WSI \$2.2 Billion

	Year to Date	1 Year	3 year	5 Year	10 Year	Risk (5 Year)
Total Fund Return - Net	2.7%	7.5%	2.0%	3.4%	4.6%	7.5%
Policy Benchmark Return	2.6%	6.8%	1.8%	2.7%	3.5%	7.0%
Total Relative Return¹	0.1%	0.7%	0.2%	0.7%	1.1%	



COUNTRY RISK ASSESSMENT

Risk Allocation and Management Team

State Investment Board, April 25, 2025

NORTH
Dakota
Be Legendary.

State Investment Board
RETIREMENT & INVESTMENT

COUNTRY RISK ASSESSMENT

NDRIO FRAMEWORK

Utilize qualitative and/or quantitative models from multiple sources in foreign investments decision making.

- Federal regulations may impose prohibitions, sanctions or restrictions that may be broad-based or country, sector or company specific. RIO and its managers are bound to follow these regulations.
- Qualitative and Quantitative Analysis from Macro-economic, Geopolitical and Geo-economic perspectives leveraging independent third-party research. Among the many third-party research RIO leverages are:
 - Geopolitical Futures
 - BCA
 - Blackrock Investment Institute
 - Bloomberg
 - Additional research from our managers
- Quantitative Geo-economic Risk Scoring. We have customized a Bloomberg Country Risk tool to score country risk as an aggregate of economic, financial and political risks scores. While quantitative scores do not have a high correlation, these provide a degree of insight into foreign countries economic, financial and political.

COUNTRY RISK ASSESSMENT

FEDERAL REGULATIONS, SANCTIONS AND RESTRICTIONS

- **Office of Foreign Assets Control (OFAC) Regulations:** OFAC administers sanctions programs that restrict or prohibit investments in certain foreign countries, entities, or individuals.
- **Foreign Investment Review Modernization Act (FIRRMA):** FIRRMA regulates foreign investments in the United States, particularly those that may pose national security concerns.
- **Securities and Exchange Commission (SEC) Regulations:** The SEC regulates foreign investments in U.S. securities markets and requires disclosure of certain information related to foreign investments.
- **International Emergency Economic Powers Act (IEEPA):** IEEPA authorizes the President to impose economic sanctions on foreign countries or entities in response to national emergencies.
- **Foreign Account Tax Compliance Act (FATCA) :** FATCA is a U.S. law that requires foreign financial institutions (FFIs) to report information about financial accounts held by U.S. entities, citizens and residents to the Internal Revenue Service (IRS). This is a way for the US government to ensure compliance with the above regulations.
- Further, these bodies and acts may impose prohibitions, sanctions or restrictions that may be broad-based or country, sector or company specific.

COUNTRY RISK ASSESSMENT

RIO COMPLIANCE WITH REGULATIONS

RIO maintains no direct or indirect investments in any kind of investments in the following countries which are under sanctions by the US government:

- Cuba
- Venezuela
- North Korea
- Iran
- Russia



COUNTRY RISK ASSESSMENT

SCORING BY RIO

Customized Bloomberg model to 16 factors with the following weights:

- Political: 50%
 - perpetual risks
- Economic: 30% and Financial: 20%
 - 9% to longer term econ/political risk indicators
 - 21% to current macro-economic conditions
 - 20% to near term economic risk indicators
- Quarterly review of risk changes by RIO

FACTORS	WEIGHT IN GROUP	NET WT.	COMMENTS
<u>Economic</u>	100.0%	30.0%	
GDP	20.0%	6.0%	Current condition
CPI	25.0%	7.5%	Current condition
Unemployment	25.0%	7.5%	Current condition
Budget Surplus	5.0%	1.5%	Longer term economic/political risk indicator
Current Account	5.0%	1.5%	Longer term economic/political risk indicator
Currency Reserves	10.0%	3.0%	Longer term economic/political risk indicator
Total External Debt	10.0%	3.0%	Longer term economic/political risk indicator
<u>Financial</u>	100.0%	20.0%	
5-yr CDS	30.0%	6.0%	Near term economic risk indicator
Sovereign Bond Yield	30.0%	6.0%	Near term economic risk indicator
FX change forecast	30.0%	6.0%	Near term economic risk indicator
3-mo Implied Volatility	10.0%	2.0%	Near term economic risk indicator
<u>Political</u>	100.0%	50.0%	
Rule of Law	30.0%	15.0%	Perpetual risk
Regulatory Quality	10.0%	5.0%	Perpetual risk
Govt. Effectiveness	10.0%	5.0%	Perpetual risk
Corruption	20.0%	10.0%	Perpetual risk
Ease of Doing Business	30.0%	15.0%	Perpetual risk
		100.0%	

COUNTRY RISK ASSESSMENT

COUNTRY RISK METRICS

Current Quarter Scores (2024Q4) - Ten Largest Exposures

- Except for China and India, each of these country exposures is low risk per the country risk scores.
 - China has a relatively poor score due to political risks, such as regulatory quality and lack of rule of law.
- India scores relatively low on economic, financial and political risk.

Country	Economic Factors Score	Financial Factors Score	Political Factors Score	Overall Score
United States	64.7	43.8	82.0	69.2
Japan	48.3	61.0	80.1	66.7
Canada	52.6	57.6	83.8	69.2
United Kingdom	58.1	53.7	84.2	70.3
China	71.6	60.1	46.9	56.9
Australia	54.6	70.0	86.4	73.6
India	38.5	41.1	38.2	38.9
Taiwan	53.1	48.3	78.8	65.0
Ireland	65.4	82.5	82.3	77.3
France	48.5	70.1	71.4	64.3
Switzerland	61.1	80.9	83.9	76.5
Median	44.9	29.0	48.3	43.9
Average	43.7	31.7	49.7	44.3
Std. Dev.	14.0	27.0	27.5	19.9

Note: Scores reflect weighted average percentile ranks in each category

COUNTRY RISK ASSESSMENT

COUNTRY RISK METRICS

Y/Y Changes (2024Q4 vs. 2023Q4) - Ten Largest Exposures

- Japan, Taiwan GDP lower while World GDP is up – results in a lower percentile score for Economic factors.
- Switzerland reduced budget surplus and worsening current account have resulted in a lower Economic factors percentile scores.
- US, UK, France, Ireland reduction in inflation has improved its Economic score. UK, Ireland GDP also improved, France current account also improved.
- Canada CDS spreads are lower as also the yields. As a result, Financials score has improved.
- Political factors are very slow moving and typically do not change much year/year as the data is updated only once in 5-yrs.

Country	Economic Factors Score			Financial Factors Score			Political Factors Score			Overall Score		
	2023Q4	2024Q4	Change	2023Q4	2024Q4	Change	2023Q4	2024Q4	Change	2023Q4	2024Q4	Change
United States	52.4	64.7	12.3	49.9	43.8	(6.1)	82.0	82.0	-	66.7	69.2	2.5
Japan	64.7	48.3	(16.5)	51.8	61.0	9.2	80.1	80.1	-	69.8	66.7	(3.1)
Canada	44.9	52.6	7.6	47.1	57.6	10.5	83.8	83.8	-	64.8	69.2	4.4
United Kingdom	41.6	58.1	16.5	56.7	53.7	(3.0)	84.2	84.2	-	65.9	70.3	4.4
China	70.3	71.6	1.3	58.7	60.1	1.4	46.9	46.9	-	56.3	56.9	0.7
Australia	57.7	54.6	(3.1)	62.7	70.0	7.3	86.4	86.4	-	73.0	73.6	0.5
India	33.8	38.5	4.6	31.5	41.1	9.6	38.2	38.2	-	35.6	38.9	3.3
Taiwan	70.8	53.1	(17.7)	45.2	48.3	3.0	78.8	78.8	-	69.7	65.0	(4.7)
Ireland	52.0	65.4	13.3	77.4	82.5	5.1	82.3	82.3	-	72.2	77.3	5.0
France	33.6	48.5	14.9	73.9	70.1	(3.8)	71.4	71.4	-	60.6	64.3	3.7
Switzerland	79.7	61.1	(18.6)	84.1	80.9	(3.2)	83.9	83.9	-	82.7	76.5	(6.2)
Median	42.6	44.9	2.3	32.6	29.0	(3.6)	48.3	48.3	-	44.7	43.9	(0.7)
Average	43.2	43.7	0.5	31.6	31.7	0.1	49.7	49.7	-	44.1	44.3	0.2
Std. Dev.	17.5	14.0	(3.5)	27.0	27.0	(0.0)	27.5	27.5	-	20.9	19.9	(1.0)

COUNTRY RISK ASSESSMENT

KEY TAKEAWAYS

RIO utilizes a multi-pronged approach

- RIO and its managers are bound to follow these regulations.
- Qualitative and Quantitative Analysis from Macro-economic, Geopolitical and Geo-economic perspectives leveraging independent third-party research. Qualitative risk analysis provides insight to the observations in quantitative models explaining the underlying dynamics behind such scores.
- Quantitative Geo-economic Risk Scoring. Quantitative risk factor models provide aggregate country risk scores indicating riskiness of countries.
- Combined, NDRIO utilizes a prudent risk-adjusted approach in its foreign investments.

2025-2027 Legislative Session RIO Bill Tracker

Bill #	Topic	Description	Sponsor	Hearing Date	Committee	Status	Position
HB 1015	Budget bill	OMB Budget bill	Appropriations Committee	n/a	Senate Appro - Gov'n't Ops	Passed in House, 83-6. Senate rec'd.	Monitor
HB 1022	Budget bill	RIO's Budget bill	Appropriations Committee	04/21 at 11:00 a.m., Roughrider, Conf Committee	n/a	Passed in House, 73-16. Passed in Senate, 44-3-0. Returned to House, refused to concur, conf committee appointed.	Support
HB 1026	Investment	Moving State Bonding Fund from Insurance to OMB	Legislative Management	n/a	n/a	Passed House, 89-0. Passed Senate, 44-2-1. Sent to Governor	Neutral
HB 1027	Investment	Moving Fire & Tornado Fund from Insurance to OMB.	Legislative Management	n/a	n/a	Passed House, 87-5. Amended, Passed Senate, 41-4. Amended Passed House, 84-6.	Neutral
HB 1117	Retirement	TFFR Required Minimum Distribution	TFFR via Gov't Vets Affairs	n/a	n/a	Passed House, 87-0. Passed Senate, 47-0. Signed by the Governor.	Support
HB 1176	Investments	Authorizes the Legacy Fund to provide enough earnings to pay for a residential property tax credit of up to \$2,000 annually per homeowner.	Rep. Nathe, Sen. Bekkedahl, Rep. Hagert, Rep. Headland, Sen. Hogue, Rep. Lefor, Rep. Porter, Sen. Rummel, Rep. Stemen, Rep. Swiontek, Rep. Vigesaa, Sen. Weber	n/a	n/a	Passed in House, 81-10. Amended, Passed in Senate, 47-0. Returned to House, refused to concur, conf committee appointed.	Neutral
HB 1319	Investments	Relating to a Legacy Fund disclosure website	Rep. Satrom, Sen. Conley, Rep. Ostlie	n/a	n/a	Passed in House, 92-1-1. Passed in Senate, 46-0. Signed by the Governor.	Support
HB 1330	Investments	Relating to divestment from legacy fund investments in Chinese companies.	Rep. Satrom, Sen. Conley, Rep. Grueneich, Sen. Lemm, Rep. Ostlie	n/a	n/a	Passed in House, 75-7. Failed in Senate, 20-26.	Neutral
HB 1510	Retirement	Requires BND, TFFR, and a teacher support program coordinator to gather information from school districts about their teacher pay and benefits.	Rep. Schreiber-Beck, Rep. Conmy, Sen. Davison, Rep. Hager, Rep. Hanson, Sen. Hogan, Rep. Longmuir, Rep. McLeod, Rep. Novak, Rep. Richter, Sen. Rummel, Rep. Swiontek	n/a	n/a	Passed in House, 82-11. Failed in Senate, 22-24.	Monitor
HB 1579	Investments	Legislative management study relating to the impact of large energy consumers on the state's electrical grid.	Rep. Novak, Rep. Heinert, Sen. Kessel, Sen. Patten, Rep. Porter	n/a	Senate Energy & Nat Resources	Passed in House, 89-3. Senate rec'd, referred to Energy and Natural Resources	
HB 1580	Budget bill	Requests an interim study of the compensation system for classified state employees, including comparisons to private sector compensation and employee retention and equity bonuses.	Rep. Vetter, Rep. Christianson, Sen. Cleary, Sen. Cory, Rep. Dockter, Rep. D. Johnston, Rep. Meier, Rep. Motschenbacher	n/a	Senate State & Local Gov	Passed House, 72-18. Amended, Passed Senate, 41-0.	Monitor

HCR 3001	Investment	Encouraging the Treasurer and SIB to invest a portion of General Fund/Budget Stabilization/ Legacy in digital assets and precious metals.	Reps. Toman, Heilman, Hendrix, D. Johnston, S. Olson, Porter, and Sens. Barta, Paulson	n/a	Senate Industry & Business	Passed House, 83-5. Senate Failed to adopt.	Neutral
SB 2072	Procurement	Red tape reduction relating to the contracts limiting liability to the state (the issue being we can't accept many low-cost, web-based application's terms and conditions due to state law).	Senate State and Local Govn't at request of OMB.	n/a	n/a	Passed Senate, 46-0. Passed House, 91-0. Signed by the Governor.	Support
SB 2097	Investments	Creation of a Rural Community Endowment Fund and including under 21-10.	Sens. Mathern & Wanzek, Rep. Brandenburg	n/a	House Appros	Passed Senate, 31-16. Failed in House, 20-72.	Neutral
SB 2134	Retirement	Calls for a change in language to allow the Superintendent and Treasurer to appoint a designee to the TFFR Board	Senator Roers	n/a	n/a	Passed Senate, 47- 0. Passed House, 75-9. Signed by Governor.	Support
SB 2332	Investments	Creates an biennial transfer of \$25M from the legacy earnings fund to the emergency services fund	Sen, Boshee, Rep, Vandenberg, Rep. Mitskog, Rep. Nelson	n/a	n/a	Passed Senate, 47-0. Passed House, 79-12. Signed by Governor.	Neutral

MEMORANDUM

TO: Investment Committee
FROM: Scott Anderson, Chief Investment Officer
April 25, 2025
RE: Investment Committee Update

The Investment Committee meeting was held on April 17, 2025. The meeting was called to order and there was an acceptance of the agenda followed by an acceptance of the minutes from the prior meeting.

Mr. Gandhi and Mr. Moss provided an update on the recent roll-out of the internal investment program. This was followed by Mr. Anderson discussing a new Trade Error procedure that would require reporting to the investment committee in the unlikely occurrence of a trade error. Mr. Anderson next presented performance through January which included a discussion of the potential impact of the new US tariff policy.

Mr. Vaidya next provided a risk management and technology update presentation. Mr. Chin, Mr. Cox and Mr. Posch provided an update that Worldquant Millenium Institutional Advisors was hired for a ~\$305 million (Pension \$112 million, Legacy \$180 million, Insurance \$13 million) mandate to manage US public market large cap equities.

Lastly, Mr. Anderson provided an overview of contracts signed during the past quarter.

<https://www.rio.nd.gov/sites/www/files/documents/PDFs/SIB%20Investment/Board/Materials/sibinvestmat20250417.pdf>

BOARD ACTION REQUESTED: Information Only.

MEMORANDUM

TO: State Investment Board
FROM: Dr. Rob Lech, Chair and Sara Seiler, Supervisor of Internal Audit
DATE: April 15, 2025
RE: Executive Review and Compensation Committee

The Executive Review and Compensation Committee (ERCC) met on April 9, 2025. The Committee was provided with a summary of the SIB self-assessment. The Committee discussed the results noting that the overall response was positive and identifying a few of the comments as areas to focus on.

The Committee also reviewed the performance surveys for the Chief Investment Officer and the Deputy Executive Director/Chief Retirement Officer that the SIB and TFFR board completed. The committee discussed the process for the annual Executive Director evaluation in the upcoming year.

[ERCC April Meeting Materials](#)

BOARD ACTION REQUESTED: Information Only.

State Investment Board

SELF AND BOARD ASSESSMENT RESULTS

**Executive Review and
Compensation Committee**



OVERALL RESULTS

POSITIVE RESULTS OVERALL

- Average score was 3.36 on a 4.0 scale.
- Committee structures are strong.
- Meetings provide a multitude of information.
- Trainings, presentations, and meeting information is very thorough and comprehensive.

SUGGESTED ENHANCEMENTS

- Better understanding of board authority versus staff.
 - Is board education on delegated authority to staff and matrix desired?
- Committee reports could be more detailed.
 - What information do board members want included in committee reports and how does the board want it presented?
- More discussion at the board level.
 - Is board education on the different committees and delegation matrix desired?
- Return of annual board retreat.
 - Would the board want to bring back an annual board retreat focused primarily on governance?

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Retirement & Investment

MEMORANDUM

TO: State Investment Board
FROM: Dr. Lech, Chair and Sara Seiler, Supervisor of Internal Audit
DATE: April 14, 2025
RE: Executive Search Committee

The Executive Director position was posted on March 31, 2025. CBIZ EFL Associates has been reviewing applications as they are received. The posting will last 30 days, and then the Executive Search Committee will meet and select the first round of candidate interviews. According to the timeline, the first round of interviews will be conducted by the Executive Search Committee in May. The committee will then bring forth finalists to the board for final interviews.

The Chief Financial Officer position was posted on March 17, 2025. The posting lasted 30 days and CBIZ EFL Associates reviewed applications that were submitted thru Peoplesoft. The Executive Director has reviewed the qualified applicants and is scheduling interviews. Anticipated hire date is July 1, 2025.

BOARD ACTION REQUESTED: Information Only.

State Investment Board Education and Planning Calendar 2025-2026

July 25, 2025 – 8:30am

Election of Officers
Committee Appointments
Annual Governance Policy Review Report
Annual Strategic Communications Plan Update
Staff Qrtly Performance Report (3/31)
Qrtly Investment Ends (6/30)
Qrtly Executive Limitations/Staff Relations Report (6/30)

September 26, 2025 – 8:30am

Consultant Qrtly & Annual Perf Report (6/30)
Annual Technology Report (6/30)
Qrtly Budget/Fiscal Conditions Report (6/30)
Annual & Qrtly Audit Activities Report (6/30)
Educ: Open Meetings & Records – AGO

October 24, 2025 – 8:30am

Staff Qrtly & Annual Performance Report (6/30)
Annual Incentive Compensation Approval
Annual Budget/Fiscal Conditions Report
Qrtly Investment Ends (9/30)
Qrtly Executive Limitations/Staff Relations Report (9/30)
*Educ: Board Retreat (TBD) – Board Governance

November 21, 2025 – 8:30am

Consultant Qrtly Performance Report (9/30)
Qrtly Budget/Fiscal Conditions Report (9/30)
Qrtly Audit Activities Report (9/30)
Qrtly Outreach Report (9/30)
Educ: Fiduciary Duties & Ethics – AGO

January 23, 2026 – 8:30am

Staff Qrtly Performance Report (9/30)
Qrtly Investment Ends (12/31)
Qrtly Outreach Report (12/31)
Annual Retirement Ends Report (6/30)
Qrtly Executive Limitations/Staff Relations Report (12/31)

March 27, 2026 – 8:30am

Qrtly Audit Activities Report (12/31)
Qrtly Budget/Fiscal Conditions Report (12/31)
Agency Strategic Plan Review
Consultant Qrtly Performance Report (12/31)
Educ: Internal Investment Strategy

April 24, 2026 – 8:30am

Staff Qrtly Performance Report (12/31)
Board Self-Assessment Results
2024-25 Board Calendar and Educ Plan
Qrtly Investment Ends Report (3/31)
Qrtly Budget/Fiscal Conditions Report (3/31)
Qrtly Outreach Report (3/31)
Qrtly Executive Limitations/Staff Relations Report (3/31)

May 15, 2026 – 8:30am

Consultant Qrtly Performance Report (3/31)
Qrtly Audit Activities Report (3/31)
Executive Director Review
Educ: Board Governance

NOTE: Agenda items or education topics may be rearranged if needed

SIB & TFFR Board/Committee Calendar 2025-26

July 2025

July 10, 2025 – SIB ERCC @ 10:00 a.m.
July 11, 2025 – Investment Comm @ 9:00 a.m.
July 24, 2025 – TFFR @ 1:00 p.m.
July 25, 2025 – SIB @ 8:30 a.m.

August 2025

August 8, 2025 – Investment Comm @ 9:00 a.m.
August 13, 2025 – SIB Audit Committee @ 2:30 p.m.

September 2025

September 9, 2025 – SIB GPR @ 10:00 a.m.
September 11, 2025 – TFFR GPR @ 3:30 p.m.
September 12, 2025 – Investment Comm @ 9:00 a.m.
September 16, 2025 – SIB Securities @ 10:00 a.m.
September 25, 2025 – TFFR @ 1:00 p.m.
September 26, 2025 – SIB @ 8:30 a.m.

October 2025

October 10, 2025 – Investment Comm @ 9:00 a.m.
October 24, 2025 – SIB @ 8:30 a.m.

November 2025

November 6, 2025 – TFFR GPR @ 3:30 p.m.
November 14, 2025 – Investment Comm @ 9:00 a.m.
November 12, 2025 – SIB GPR @ 10:00 a.m.
November 18, 2025 – SIB Audit Committee @ 2:30 PM
November 20, 2025 – TFFR @ 1:00 p.m.
November 21, 2025 – SIB @ 8:30 a.m.

December 2025

December 4, 2025 – SIB Securities (Tentative) @ 9:00 a.m.
December 12, 2025 – Investment Comm @ 9:00 a.m.

January 2026

January 9, 2026 – Investment Comm @ 9:00 a.m.
January 14, 2026 – SIB ERCC @ 10:00 a.m.
January 22, 2026 – TFFR @ 1:00 p.m.
January 23, 2026 – SIB @ 8:30 a.m.

February 2026

February 5, 2026 – TFFR GPR @ 3:30 p.m.
February 10, 2026 – SIB GPR @ 10:00 a.m.
February 13, 2026 – Investment Comm @ 9:00 a.m.
February 18, 2026 – SIB Audit Committee @ 2:30 p.m.

March 2026

March 11, 2026 – SIB ERCC @ 10:00 a.m.
March 13, 2026 – Investment Comm @ 9:00 a.m.
March 17, 2026 – SIB Securities @ 10:00 AM
March 26, 2026 – TFFR @ 1:00 p.m.
March 27, 2026 – SIB @ 8:30 a.m.

April 2026

April 7, 2026 – SIB GPR @ 10:00 a.m.
April 9, 2026 – SIB ERCC @ 10:00 a.m.
April 10, 2026 – Investment Comm @ 9:00 a.m.
April 13, 2026 – TFFR GPR @ 3:30 p.m.
April 23, 2026 – TFFR @ 1:00 p.m.
April 24, 2026 – SIB @ 8:30 a.m.

May 2026

May 6, 2026 – SIB Audit Committee @ 2:30 p.m.
May 7, 2026 – SIB ERCC @ 10:00 a.m.
May 8, 2026 – Investment Comm @ 9:00 a.m.
May 15, 2026 – SIB @ 8:30 a.m.

June 2026

June 12, 2026 – Investment Comm @ 9:00 a.m.
June 17, 2026 – SIB Securities (Tentative) @ 10:00 a.m.
June 18, 2026 – TFFR Board Retreat (Tentative) @ 1:00 p.m.

MEMORANDUM

TO: SIB
FROM: Nitin Vaidya, Chief Risk Officer
DATE: April 25, 2025
RE: 2024 Annual Investment Compliance Review Summary

The risk team has completed the 2024 annual investment compliance document review from each investment manager. The compliance review covers Fiscal Year 2024, from July 1, 2023, through June 30th, 2024, and no material issues were found in the document review.

Documents that the managers provided include:

- 1) Annual Certification of Investment Guidelines
- 2) Due Diligence Questionnaire
- 3) Audited Financials
- 4) SOC-1/Internal Controls
- 5) Form ADV Brochures
- 6) Notification of any materially adverse changes

There are currently eighty-one funds/strategies overseen by RIO which are managed by forty-two managers. Forty-one managers have provided the above documents, with one of the managers liquidating due to bankruptcy and has a minimal impact on the pension pool.

Of these forty-one managers, an additional six are winding down and those provided only a limited set of documents. Notably, SOC-1 documents were only provided by 27 managers. Of the remaining fourteen, six are winding down, two provided auditor opinion in lieu of SOC-1 and further six are exempt per their agreements.

BOARD ACTION REQUESTED: Board Acceptance.

Quarterly Report on Ends

Quarter ending March 31, 2025

Investment Program

Portfolio Changes & Investment Consultant

- Internally managed Equity & Fixed Income
- Horsley Bridge Growth

Public Markets:

Over the past quarter, the Alpha and Funds Management (AFM) team continued its work to enhance the structure and effectiveness of the public markets portfolio. A key development was the finalization of contracting with WorldQuant Millennium Advisors, who will join the U.S. large cap portfolio. Their addition reflects our ongoing effort to bring in differentiated sources of alpha.

We also welcomed Cory Cox as our new Public Markets Investment Analyst. Now based in Bismarck, Cory will support external manager evaluation and fund selection. In parallel, the team concluded interviews for the summer internship program and extended an offer to a finalist. The intern program will assist with key project initiatives and contribute to building our long-term talent pipeline

Private Markets:

The Team completed due diligence on a private credit manager that was recommended and approved by the Investment Committee. The private credit manager is still in legal due diligence. The team released the remaining \$150 million commitment to 50 South after completing due diligence and improvements to the limited partnership terms. The Team continues to work with legal counsel to complete the legal negotiations for the new in-state real asset manager. Finally, the Team provided a quarterly update on the investment program to the investment committee.

The Private Markets Team conducted approximately 123 introductory, due diligence, and monitoring meetings with prospective and current managers and strategies. The Team also worked to onboard Mr. Collins on investment strategies, introductions to existing manager, internal processes and due diligence.

Risk:

The implementation of the Order and Execution Management System (OEMS) and Portfolio Management System (PMS) within the Aladdin Enterprise platform is progressing. The platform officially went live on March 10, with limited trading commencing on April 1. However, several operational issues remain that must be addressed before full functionality is achieved. During this interim period, the internal direct investments team will continue a phased rollout, adding strategies and increasing trading complexity incrementally.

The transition from the standalone Aladdin Explore system to Aladdin Enterprise has temporarily paused further automation of certain risk and analytics reports. Nonetheless, work continues on the design and enhancement of these reports. Once the transition stabilizes, automation efforts will resume. Data quality challenges persist, though recent improvements in resolution timelines are

expected to lead to more accurate and timely reporting. Additional reports, including client-level insights and performance attribution, are still under development.

To support this transition, the team has established a new data validation process to strengthen the reliability of risk metrics. Enhancements have also been made to the Market Risk Monitor, particularly in sentiment analysis. Further refinements are underway to improve the accuracy of country risk scoring.

Internal Management:

The onboarding of the Aladdin Order & Execution Management System (OEMS) has been successfully completed, and we are in the “hypercare” phase. A pilot program was funded with \$285 million across cash overlay (\$10 million) and the internally managed index portfolios (\$275 million). The pilot program was initiated in conjunction with the “hypercare” phase of the Aladdin OEMS implementation in order to ensure that all processes (trading, compliance, reconciliation, and corporate actions) were functioning smoothly and as intended.

The Portfolio Manager of Internal Fixed Income hired Alex Weissman for the Analyst position. The Public Markets Investment Analyst position was posted, and candidates are currently being reviewed. Recall that this position will report to the Portfolio Manager of Internal Equity, however, the position is expected to work with and learn from the Internal Fixed Income, AFM, and Risk teams.

Other:

- Staff continue to conduct due diligence on prospect managers/products for future consideration.
- Staff continue to monitor each client’s asset allocation monthly and make 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: SIB
FROM: Rachel Kmetz, Interim CFO/COO
DATE: April 25, 2025
RE: Quarterly Budget/Fiscal Conditions

Enclosed are the following budget and expense reports for the quarter ended March 31, 2025:

- Budget Appropriation Status
- Expenditure Summary
- PAS Modernization Project Status

Board Action Requested: Board acceptance.

BUDGET APPROPRIATION STATUS**AS OF MARCH 31, 2025**

	2023-2025 BUDGET	ADJUSTED APPROPRIATION *	EXPENDITURES			
			BIENNIUM TO DATE ACTUAL	BUDGET AVAILABLE	% BUDGET AVAILABLE	% OF BIENNIUM REMAINING
SALARIES AND BENEFITS	\$ 8,910,047.00	10,203,977.30 ^	\$ 8,384,996.57	\$ 1,818,980.73	17.83%	12.50%
OPERATING EXPENDITURES	2,869,937.00	4,277,560.00	2,675,119.44	1,602,440.56	37.46%	12.50%
CAPITAL ASSETS	0.00	4,150,213.50	2,737,509.00	1,412,704.50	34.04%	12.50%
CONTINGENCY	200,000.00	200,000.00	0.00	200,000.00	100.00%	12.50%
TOTAL	<u>\$ 11,979,984.00</u>	<u>18,831,750.80</u>	<u>\$ 13,797,625.01</u>	<u>5,034,125.79</u>	<u>26.73%</u>	<u>12.50%</u>

* In addition to the capital assets line, the salaries and benefit line includes \$50,000 and the operating expenditure budget includes \$1,407,623 for the TFFR Pension Administration System Project.

^ The adjusted appropriation for salaries and benefits also includes amounts appropriated during the Legislative Session in relation to the new and vacant FTE funding pool, target market equity, and additional employer retirement funding.

EXPENDITURE SUMMARY**AS OF MARCH 31, 2025**

	INVESTMENT	RETIREMENT	QUARTERLY TOTALS	FISCAL YEAR TO - DATE	BIENNIUM TO - DATE
<u>CONTINUING APPROPRIATIONS</u>					
INVESTMENT EXPENDITURES	\$ 11,979,987	\$ 0	\$ 11,979,987	\$ 36,076,100	121,276,581
MEMBER CLAIMS					
1. ANNUITY PAYMENTS	0	67,155,275	67,155,275	202,536,263	332,590,170
2. REFUND PAYMENTS	0	2,323,084	2,323,084	10,256,383	14,548,723
TOTAL MEMBER CLAIMS	0	69,478,360	69,478,360	212,792,646	347,138,893
OTHER CONTINUING APPROPRIATIONS	458,648	48,916	507,564	1,350,555	2,060,771
TOTAL CONTINUING APPROPRIATIONS	12,438,635	69,527,276	81,965,911	250,219,300	614,633,520
<u>BUDGETED EXPENDITURES</u>					
1. SALARIES & BENEFITS					
SALARIES	760,465	296,875	1,057,341	2,918,228	4,311,145
OVERTIME/TEMPORARY	982	11,911	12,893	51,499	75,724
TERMINATION SALARY & BENEFITS	0	0	0	0	0
FRINGE BENEFITS	235,290	102,010	337,301	960,904	1,475,031
TOTAL SALARY & BENEFITS	996,737	410,797	1,407,534	3,930,631	8,384,996.57
2. OPERATING EXPENDITURES					
DATA PROCESSING	22,891	111,126	134,017	372,735	684,289
TELECOMMUNICATIONS - ISD	2,018	1,492	3,510	8,949	17,789
TRAVEL	2,645	1,030	3,675	25,664	51,371
POSTAGE SERVICES	840	17,226	18,066	21,556	41,480
IT - CONTRACTUAL SERVICES	377	120,531	120,908	258,304	421,177
EQUIPMENT RENTS AND LEASES	0	0	0	0	0
BUILDING/LAND RENT & LEASES	16,165	11,646	27,811	85,132	132,961
DUES & PROF. DEVELOPMENT	2,172	7,792	9,964	29,489	59,697
OPERATING FEES & SERVICES	1,500	5,642	7,142	12,417	48,336
REPAIR SERVICE	96	50	146	146	146
PROFESSIONAL SERVICES	0	62,494	62,494	276,877	485,037
INSURANCE	0	0	0	1,536	1,467
OFFICE SUPPLIES	155	54	209	452	872
PRINTING	137	4,378	4,515	4,934	13,704
PROFESSIONAL SUPPLIES & MATERIALS	0	0	0	432	615
MISCELLANEOUS SUPPLIES	201	85	285	439	1,092
IT EQUIPMENT UNDER \$5000	318	1,760	2,078	2,078	2,548
OFFICE EQUIP. & FURNITURE UNDER \$5000	2,614	130	2,743	2,743	6,220
TOTAL OPERATING EXPENDITURES	52,129	345,435	397,564	1,103,883	2,675,119
3. CAPITAL ASSETS	0	512,753	512,753	1,167,107	2,737,509
4. CONTINGENCY	0	0	0	0	0
TOTAL BUDGETED EXPENDITURES	1,048,867	1,268,985	2,317,851	6,201,621	13,797,625
TOTAL EXPENDITURES	\$ 13,028,854	\$ 70,747,344	\$ 84,283,762	\$ 256,420,921	456,293,987

PAS MODERNIZATION PROJECT STATUS

AS OF MARCH 31, 2025

PAS PROJECT - UNEXPENDED PORTION CARRIED FORWARD TO 2023-25 BIENNIUM

	2019-2021 Biennium Approved Budget	Carryover to 2023-2025 Biennium	Expenses 2023-2025 Biennium	Remaining Budget
TEMPORARY SALARIES	50,000	50,000	0	50,000
IT - DATA PROCESSING (NDIT PROJECT MGMT)	775,000	196,933	160,870	36,064
PROFESSIONAL SERVICES	1,875,000	1,210,690	1,123,981	86,709
CAPITAL ASSETS	6,300,000	4,150,214	2,737,509	1,412,705
TOTAL PAS PROJECT BUDGET	9,000,000	5,607,837	4,022,360 *	1,585,477

* The amounts in the 2023-2025 expense column are included in the totals on the Expenditure Summary on the previous page.

MEMORANDUM

TO: State Investment Board

FROM: Sarah Mudder, communications and outreach director

DATE: April 25, 2025

RE: FY2025, Q3 Communications and Outreach Report

MEDIA INQUIRIES – Date, Subject, and Publication

- Jan. 22, 2025, Public Markets Analyst hire, Fin News
- Jan. 28, 2025, HB 1330 China Divestment Bill, North Dakota Monitor
- Jan. 28, 2025, HB 1330 China Divestment Bill, InForum
- Feb. 21, 2025, SIB meeting recording, Jamestown Sun
- Feb. 28, 2025, Tesla stock performance, ABC News
- March 10, 2025, HB 1183 Gold/Silver Investment Bill, North Dakota Monitor
- March 14, 2025, Inv Manager decisions and HB 1330 China Divestment Bill, Pensions & Investments
- March 18, 2025, Internal Investment Program, Fin News
- March 31, 2025, HB 1319 Legacy Fund Website and HB 1330 China Divestment Bills, North Dakota Monitor

MEETINGS – Date and Activity

- Jan. 2, 2025, SIB Executive Search Committee
- Jan. 3, 2025, SIB Special Board Meeting
- Jan. 7, 2025, TFFR Executive Steering Committee Pension Administration System Project
- Jan. 9, 2025, SIB Governance & Policy Review Committee
- Jan. 10, 2025, SIB Investment Committee
- Jan. 13, 2025, SIB Executive Search Committee
- Jan. 14, 2025, SIB Governance & Policy Review Committee Special Meeting
- Jan. 15, 2025, SIB Executive Review & Compensation Committee
- Jan. 23, 2025, TFFR Board Meeting
- Jan. 24, 2025, SIB Board Meeting
- Feb. 4, 2025, TFFR Executive Steering Committee Pension Administration System Project
- Feb. 4, 2025, TFFR Governance & Policy Review Committee Meeting
- Feb. 5, 2025, SIB Audit Committee Special Meeting
- Feb. 6, 2025, SIB Executive Review & Compensation Committee Special Meeting
- Feb. 13, 2025, SIB Executive Search Committee
- Feb. 14, 2025, SIB Investment Committee
- Feb. 20, 2025, RIO Executive Steering Committee Investment Management Strategy Special Meeting
- Feb. 21, 2025, SIB Board Meeting
- Feb. 26, SIB Executive Review & Compensation Committee Meeting
- March 5, SIB Governance & Policy Review Committee Meeting
- March 12, SIB Executive Search Committee
- March 14, SB Investment Committee
- March 18, SIB Securities Litigation Committee
- March 25, SIB Audit Committee
- March 26, SIB Executive Search Committee
- March 27, TFFR Board Meeting
- March 28, SIB Board Meeting

OUTREACH – Date, Activity and Attendance

TFFR Business Partner

- Jan 2, 2025, MyTFFR Office Hours, Virtual, 16 attended
- Jan 7, 2025, MyTFFR Office Hours, Virtual, 20 attended
- Jan 9, 2025, MyTFFR Office Hours, Virtual, 32 attended
- Jan 14, 2025, MyTFFR Office Hours, Virtual, 40 attended
- Jan 21, 2025, MyTFFR Office Hours, Virtual, 12 attended
- Jan 23, 2025, MyTFFR Office Hours, Virtual, 5 attended
- Jan 29, 2025, MyTFFR Office Hours, Virtual, 33 attended
- Feb. 13 a.m., 2025, MyTFFR Office Hours (manual reporters), Virtual, 11 attended
- Feb. 13 p.m., 2025, MyTFFR Office Hours (no test site reporters), Virtual, 14 attended
- Feb. 19, 2025, MyTFFR Office Hours, Virtual, 18 attended
- Feb. 25, 2025, MyTFFR Office Hours, Virtual, 14 attended

PUBLICATIONS – Date, Bulletin and Open Rate

GovDelivery

TFFR Business Partners newsletters and updates

- Jan. 9, 2025, newsletter sent to 530 recipients (71% open rate)
- Feb. 13, 2025, "GASB 68 information online," sent to 533 recipients (36% open rate)
- March 11, 2025, "MyTFFR Business Partner Resources," sent to 533 recipients (73% open rate)
- March 26, 2025, "457 Deferred Compensation for TFFR members," sent to 531 recipients (77% open rate)

TFFR Retired Members newsletters and events

- Jan. 14, 2025, "FAQs: Social Security Fairness Act, Repeal of WEP & GPO" to 4,544 recipients (46% open rate)

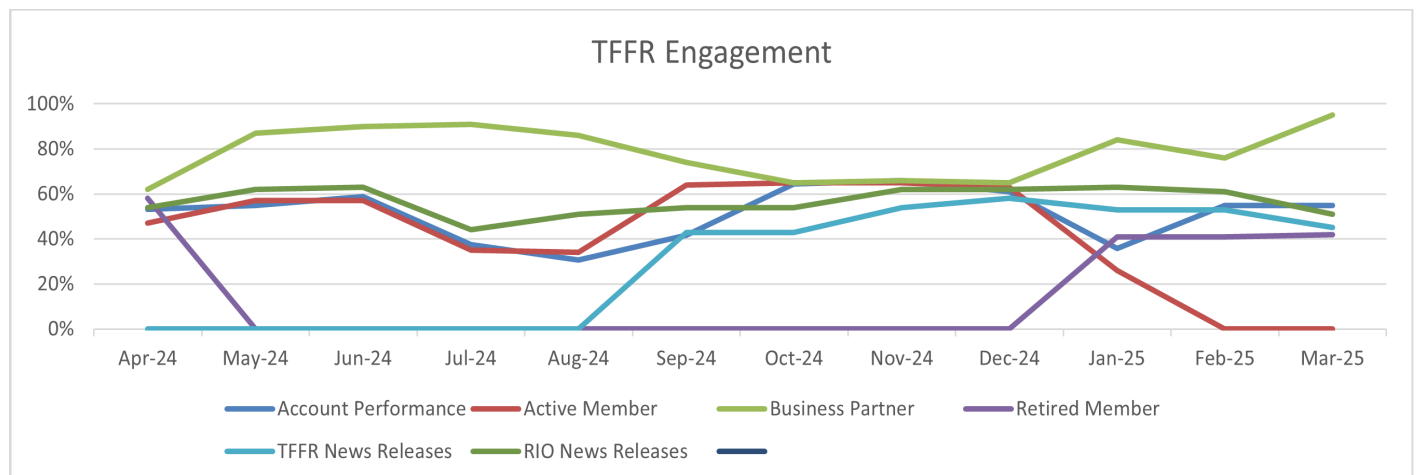
TFFR news releases

- March 11, 2025, "NDRIO successfully goes live with modernized Pension Administration System," 1,017 recipients (45% open rate)

TFFR Engagement Rate Monthly Metrics

From Jan. 1 to March 31, most to least engaged TFFR topics were Business Partner at 95%, Retired Members at 42% and TFFR News Releases at 45%. Active Members have dropped off due to lack of communications.

Per GovDelivery, the median engagement rate for education communications in 2024 was 65%. The median engagement rate for government emails overall was 61%.



SIB/Fiscal newsletters and updates

- Jan. 2, 2025, "FY2024 Annual Comprehensive Financial Report released," 590 recipients (73% Open Rate)

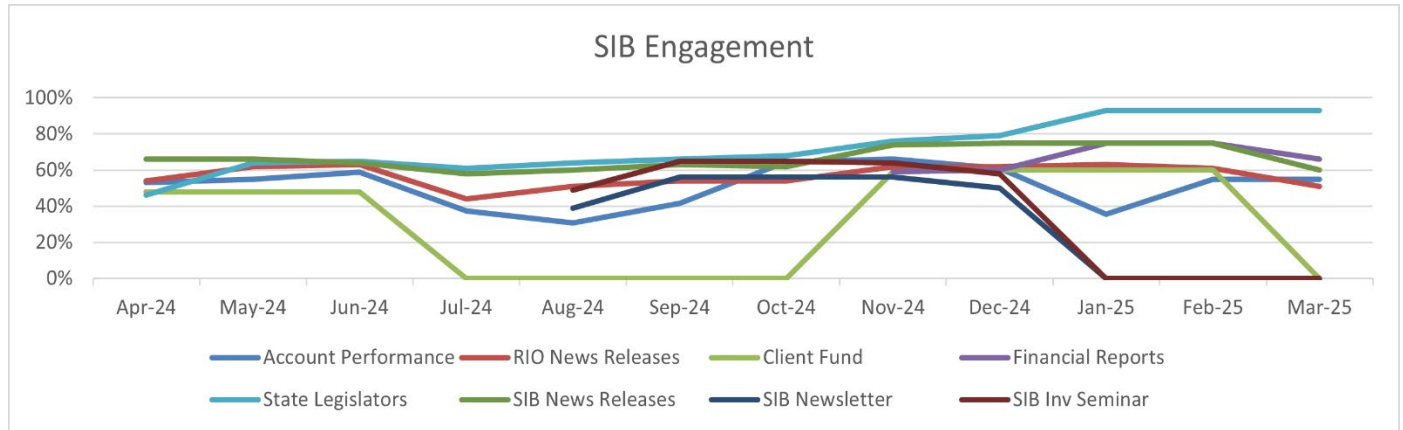
SIB/Fiscal news releases and updates

- Jan 3, 2025, "State Investment Board elects Armstrong as chair, approves interim director offer, and launches executive search," 921 recipients (49% Open Rate)

SIB Engagement Rate Monthly Metrics

From Jan. 1 to March 31, most to least engaged SIB topics were State Legislators at 93%, Financial Reports at 66%, and SIB News Releases 60%. Client Funds dropped off because of a lack of communications.

Per GovDelivery, the median engagement rate for Finance & Commerce communications in 2024 was 53%. The median engagement rate for government emails overall was 61%.



SOCIAL MEDIA

LinkedIn

	Page Views	Unique Visitors	New Followers
	1,195	540	156
Most Popular Posts (Engagement Rate)	Impressions	Clicks	Likes
SIB is seeking... Exec Director (12.9%)	912	85	29
Welcome Cory Cox (9.3%)	4,136	289	93
RIO seeking Chief Fin/Op Officer (8.4%)	1,369	80	27

YouTube

	Views	Watch Hours	New Subscribers
	1,498	124.8	6
Top Content	Views	Average Duration	
MyTFFR Member Login Instructions	237	1:55	
Upload Employer Payroll... Copy Forward	184	9:36	
Upload Enrollment... Create Enrollment	164	7:56	

BOARD ACTION REQUESTED: Board Acceptance