

**NORTH DAKOTA STATE INVESTMENT BOARD  
MINUTES OF THE  
OCTOBER 26, 2023, BOARD MEETING (IN-PERSON)**

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Scott Anderson, CIO  
Eric Chin, Deputy CIO  
Derek Dukart, Investment Officer  
Jennifer Ferderer, Fiscal/Investment Admin.  
Deneen Gathman, Retirement Accountant  
Rachel Kmetz, Accounting Mgr.  
Missy Kopp, Exec. Assistant  
Robbie Morey, Investment Accountant  
George Moss, Sr. Investment Officer  
Sarah Mudder, Communications/Outreach Dir.  
Jan Murtha, Exec. Dir.  
Matt Posch, Sr. Investment Officer  
Emmalee Riegler, Procurement/Records Coord.  
Chad Roberts, DED/CRO  
Mike Schmitcke, Sr. Investment Accountant  
Sara Seiler, Internal Audit Supvr.  
Ryan Skor, CFO/COO  
Dottie Thorsen, Internal Auditor  
Nitin Vaidya, Chief Risk Officer  
Tami Volkert, Compliance Spec.  
Susan Walcker, Sr. Financial Accountant  
Jason Yu, Risk Officer  
Lance Zietlow, Sr. Investment Officer

**GUESTS:**

Dean DePountis, Attorney General's Office  
Candace Johnson, Securities Commission  
Brian Kroshus, Tax Department  
Scott Miller, PERS  
Adam Montgomery, Securities Commission  
Max Swango, Invesco  
Members of the Public

**CALL TO ORDER:**

Lt. Gov. Miller, Chair, called the State Investment Board (SIB) regular meeting to order at 1:00 p.m. on Thursday, October 26, 2023. 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, Rep. Bosch, Commissioner Heringer, Mr. Jahner, Sen. Klein, Dr. Lech, Mr. Mickelson, Lt. Gov. Miller, Mr. Miller, Dr. Simlai, Ms. Sisk, and Mr. Thompson.

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the October 26, 2023, meeting.

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

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

**NAYS: NONE**

**MOTION CARRIED**

Ms. Murtha introduced new staff members Deneen Gathman and Robbie Morey.

**MINUTES:**

The Board considered the minutes of the September 22, 2023, SIB meeting.

**IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE SEPTEMBER 22, 2023, MINUTES AS DISTRIBUTED.**

**AYES: MR. MICKELSON, COMMISSIONER HERINGER, MR. THOMPSON, TREASURER BEADLE, DR. LECH, MR. JAHNER, MS. SISK, SEN. KLEIN, REP. BOSCH, MR. MILLER, DR. SIMLAI, AND LT. GOV. MILLER**

**NAYS: NONE**

**MOTION CARRIED**

**EDUCATION:**

**Real Estate Market:**

Mr. Max Swango, Invesco, provided board education on the underlying fundamentals and trends impacting the Real Estate market. Mr. Swango discussed the risk/return spectrum for real estate investment strategies. The SIB is invested in the Core Equity and Value/Add/Opportunistic strategies. The investment objective and portfolio construction of the SIB's real estate investments with Invesco were reviewed. Information was provided on real estate sector fundamentals, secular trends, risks, and opportunities. Board discussion followed.

**INVESTMENTS:**

**Quarterly & Annual Performance Review:**

Mr. Anderson provided a performance review for the quarter and fiscal year ended June 30, 2023, and the period ended October 16, 2023. An overview was provided of the trends in the markets this year, including inflations rates. Mr. Anderson reviewed performance for PERS, TFFR, Legacy Fund, and WSI. An update was provided on strategy activities that have been completed and those that are still in progress or upcoming. An updated strategy activities list will be provided at the next meeting. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MS. SISK AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY PERFORMANCE REVIEW.**

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

The Board recessed at 2:46 p.m. and reconvened at 3:02 p.m.

**GOVERNANCE:**

PERS Board Decision & Special Legislative Session:

Ms. Murtha provided a summary of the recent ND Supreme Court opinion in the PERS Board lawsuit vs. the Legislative Assembly. The opinion declared the OMB appropriation bill, HB 2015, void due to the single subject rule in the state constitution. Because that bill was voided, a special legislative session began on October 23, 2023. There was no legislation that directly affected RIO or its programs. A bill was passed that changed the PERS Board composition. There will be a new PERS representative on the SIB once new appointments are made. Mr. Miller will continue to serve on both boards. Board discussion followed.

Governance & Policy Review (GPR) Committee Update:

Dr. Lech provided an update from the October 12, 2023, GPR meeting. The Committee continued their review of the SIB Governance Manual and received an update on the Supreme Court opinion on the PERS Board lawsuit and the need for a special legislative session.

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the October 23, 2023, IC meeting. The IC received a public markets funds management update including an update on the Equity 2.0 project. Mr. Anderson presented a preliminary internal direct investment strategy and the IC heard about private markets portfolio harmonization in executive session. The IC approved the RFP process for a valuation consultant for the private markets harmonization project. Board discussion followed.

Annual SIB Customer Satisfaction Survey Results:

Ms. Seiler shared the results of the Annual SIB Customer Satisfaction Survey. The survey was sent to 19 clients, and we received eight responses. The response rate has been falling. Overall, the respondents were satisfied with the services provided by the SIB. There were comments about the timeliness of performance reports. Ms. Murtha commented that staff take these surveys seriously and are discouraged by some of the comments because quality service is a priority. Going forward, the Communications and Outreach Director will administer this survey. Staff hope to increase the response rate. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND CARRIED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ANNUAL SIB CUSTOMER SATISFACTION SURVEY RESULTS.**

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

**QUARTERLY MONITORING REPORTS:**

Annual Budget/Expense Report:

Mr. Skor provided an overview of the annual budget and expense report. The report includes a summary report of continuing appropriation authority for the TFFR and SIB programs. The budget appropriation status is shown with and without the Pioneer Project. Also included are a summary of the pension administration system modernization project and a schedule of consulting and investment expenses. Board discussion followed.

Investment Ends:

Mr. Posch provided the Investment Ends Report for the quarter ended September 30, 2023. Highlights of the quarter include finalizing private equity investments, onboarding of new technology, and the start of the annual compliance process. A new private markets data solution provider was onboarded during the quarter. The public markets team continued to work on the Equity 2.0 project and the transition from Axiom to DFA was finalized. A quarterly monitoring report was included for the Board to review.

Executive Limitations/Staff Relations:

Ms. Murtha provided a staffing update. The Retirement Membership Specialist temporary position is open, and interviews are underway. Internal Audit (IA) staff are working on a plan to implement the recommendations from the consultant to develop the maturity of the IA program. An updated Audit Committee Charter will be discussed at the November meeting. The compensation consultant contract negotiation is still ongoing so the final presentation for that project has been moved back. An all-staff training was held this week. The report included a list of presentations and travel activities of RIO staff. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ANNUAL BUDGET/EXPENSE REPORT, QUARTERLY INVESTMENT ENDS, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

**AYES: MR. MILLER, SEN. KLEIN, MR. MICKELSON, DR. LECH, MR. JAHNER, MS. SISK, MR. THOMPSON, DR. SIMLAI, COMMISSIONER HERINGER, TREASURER BEADLE, REP. BOSCH, AND LT. GOV. MILLER**

**NAYS: NONE**

**MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the SIB, Lt. Gov. Miller adjourned the meeting at 3:37 p.m.

Prepared by: Missy Kopp, Assistant to the Board