

**NORTH DAKOTA STATE INVESTMENT BOARD  
MINUTES OF THE  
OCTOBER 25, 2024, 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  
Pete Jahner, Investment Professional  
Sen. Jerry Klein, LBSFAB  
Cody Mickelson, TFFR Board  
Adam Miller, PERS Board  
Dr. Prodosh Simlai, Investment Professional  
Art Thompson, Director of WSI

**MEMBERS ABSENT:**

Joseph Heringer, Commissioner of Univ. & School Lands  
Joe Morrissette, PERS Board  
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, Executive Assistant  
George Moss, Portfolio Mgr.  
Sarah Mudder, Communications/Outreach Dir.  
Jan Murtha, Executive Director  
Matt Posch, Portfolio Mgr.  
Emmalee Riegler, Procurement/Records Coord.  
Chad Roberts, DED/CRO  
Ryan Skor, CFO/COO  
Mike Schmitzke, 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:**

Mary Kae Kelsch, Attorney General's Office  
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, October 25, 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, Rep. Bosch, Mr. Jahner, Sen. Klein, Dr. Lech, Mr. Mickelson, Mr. Miller, Lt. Gov. Miller, Dr. Simlai, and Mr. Thompson.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the October 25, 2024, 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: TREASURER BEADLE, MR. MILLER, REP. BOSCH, MR. THOMPSON, DR. SIMLAI, MR. MICKELSON, SEN. KLEIN, DR. LECH, MR. JAHNER, AND LT. GOV. MILLER**

**NAYS: NONE**

**ABSENT: COMMISSIONER HERINGER, MR. MORRISSETTE, AND MS. SISK  
MOTION CARRIED**

**MINUTES:**

The Board considered the minutes of the September 27, 2024, SIB meeting.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO APPROVE THE SEPTEMBER 27, 2024, MINUTES AS DISTRIBUTED.**

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

**NAYS: NONE**

**ABSENT: COMMISSIONER HERINGER, MR. MORRISSETTE, AND MS. SISK  
MOTION CARRIED**

**EDUCATION:**

Fixed Income:

Mr. Anderson provided board education on fixed income. The presentation provided information on bond yields and risks, fixed income securities risks and opportunities, and an illustration of the fixed income markets and trends in the U.S. Board discussion followed.

**INVESTMENTS:**

Quarterly and Annual Performance Update:

Mr. Anderson provided the quarterly/annual performance update as of the end of fiscal year (FY) 2024. The report included a review of market performance as of June 30, 2024, and October 16, 2024, and performance for PERS, TFFR, Legacy Fund, and WSI. Board discussion followed.

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

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

**NAYS: NONE**

**ABSENT: COMMISSIONER HERINGER, MR. MORRISSETTE, 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. Staff are in the process of establishing broker dealer arrangements and developing the new order and portfolio management system. Significant progress has been made in defining necessary data, compliance, and investment strategies. A detailed strategy review is planned for the next Investment Committee meeting, with the aim of finalizing and seeking approval in December to begin implementation early next year. Board discussion followed.

Asset Allocation Consultant:

**IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2, 44-04-18.4(6)(b), AND 44-04-19.1(9) TO DISCUSS EXEMPT PROPOSAL PROCUREMENT INFORMATION DURING A COMPETITIVE BIDDING PROCESS AND STRATEGY OR INSTRUCTIONS REGARDING A CONTRACT.**

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

**NAYS: NONE**

**ABSENT: COMMISSIONER HERINGER, MR. MORRISSETTE, AND MS. SISK**  
**MOTION CARRIED**

The executive session started at 10:19 a.m. and ended at 10:27 a.m. The session was attended by staff, board members, and Ms. Kelsch.

The Board recessed at 10:27 a.m. and reconvened at 10:45 a.m.

**GOVERNANCE:**

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the October 17, 2024, IC meeting. The IC received a detailed review of public market strategies and discussed adjustments for the U.S. Equity 2.0 strategy. Manager recommendations and updates were discussed in closed session pending contract negotiation. Staff provided an update on efforts to enable international transactions in separately managed accounts. Board discussion followed.

Governance and Policy Review (GPR) Committee Update:

Dr. Lech provided an update from the October 21, 2024, GPR meeting. The Committee has had past discussions about the need to consider a change to the Board's governance model which is currently the Carver model. This model is getting to be outdated so the Committee is planning to revisit the topic in the future. The Committee set a schedule to review the SIB Governance Manual. Dr. Lech reviewed the Committee's discussion on preparation for the legislative session, specifically on procurement and the confidentiality of investment data. ND currently uses a confidentiality analysis model for data, but the Committee is exploring a simpler list model which would provide greater clarity, though developing a draft has been complicated. Staff will continue to work with other agencies to develop a draft bill.

Ms. Murtha commented on recent communication and media stories in relation to Legacy Fund transparency which was shared with Board members. The Board was invited to provide input on steps to respond to the misinformation that has been shared in the media. Board discussion followed on the best way to respond to the misinformation including press releases and continued education. The Board asked staff to put together a communications strategy for the near term to provide information to counter the misinformation.

## **QUARTERLY MONITORING REPORTS:**

### **Quarterly Investment Ends:**

Mr. Posch provided the Investment Ends Report for the quarter ended September 30, 2024. The public markets team made significant progress on the Equity 2.0 project, with new managers onboarded and further international portfolio recommendations underway. In private markets, a new private equity manager has been onboarded and additional manager recommendations are anticipated by the end of the year. The risk team continues to work on the implementation of the order and portfolio management system with a rollout expected by March of 2025. Board discussion followed.

### **Quarterly Outreach Report:**

Ms. Mudder provided the outreach report for the quarter ended September 30, 2024. Staff released the investment newsletter in September and are planning a regular release schedule. The agency launched a LinkedIn account and made the agency's YouTube account public, and both are available at the top of RIO's website. Social media engagement has been promising. Mr. Anderson's interview with Pensions and Investments magazine gained substantial attention on social media. The Investment Seminar evaluation respondents gave an average rating of 3.52 on a 4-point scale. Board discussion followed.

### **Annual Budget/Fiscal Conditions Report:**

Mr. Skor provided the annual Budget/Fiscal Conditions report for the period ended June 30, 2024. The report includes an expenditure summary, budget appropriation status, pension administration system modernization project summary, and schedules of consulting and investment expenses. Board discussion followed.

### **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. ED activities for the past month have included a career day panel at the University of Mary and the National Council on Teacher Retirement (NCTR) Conference where Ms. Murtha moderated a panel discussion on securities litigation. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. JAHNER AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY INVESTMENT ENDS, QUARTERLY OUTREACH, ANNUAL BUDGET/FISCAL CONDITIONS, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

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

**NAYS: NONE**

**ABSENT: COMMISSIONER HERINGER, MR. MICKELSON, MR. MORRISSETTE, AND MS. SISK  
MOTION CARRIED**

### **ADJOURNMENT:**

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

Prepared by: Missy Kopp, Assistant to the Board