NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
JANUARY 24, 2025, BOARD MEETING (IN-PERSON)

MEMBERS PRESENT:	Kelly Armstrong, Governor, Chair Dr. Rob Lech, TFFR Board, Vice Chair Thomas Beadle, State Treasurer, Parliamentarian Joseph Heringer, Commissioner of Unv. & School Lands Pete Jahner, Investment Professional Sen. Jerry Klein, LBSFAB Cody Mickelson, TFFR Board Adam Miller, PERS Board Joe Morrissette, Director of OMB Dr. Prodosh Simlai, Investment Professional Gerald Buck, PERS Board, Art Thompson, Director of WSI
MEMBERS ABSENT:	Rep. Glenn Bosch, LBSFAB
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, 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 Dottie Thorsen, Internal Auditor Nitin Vaidya, Chief Risk Officer Tami Volkert, Compliance Spec. Susan Walcker, Sr. Financial Accountant Jason Yu, Risk Officer Lance Ziettlow, Portfolio Mgr.
GUESTS:	Michelle Strinden, Lt. Gov. 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, January 24, 2025. 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: Gov. Armstrong, Treasurer Beadle, Mr. Buck, Commissioner Heringer, Mr. Jahner, Sen. Klein, Dr. Lech, Mr. Mickelson, Mr. Miller, Mr. Morrissette, Dr. Simlai, and Mr. Thompson.

MINUTES:

The Board considered the minutes of the November 22, 2024, and January 3, 2025, SIB meetings.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO APPROVE THE NOVEMBER 22, 2024, AND JANUARY 3, 2025, MINUTES AS DISTRIBUTED.

AYES: COMMISSIONER HERINGER, 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
MOTION CARRIED

INVESTMENTS:

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. Mr. Anderson reviewed the timeline and tasks that have been completed. Board discussion followed.

Quarterly Performance Update:

Mr. Anderson provided the quarterly performance update as of October 30, 2024. Mr. Anderson provided an overview of the markets during the quarter and the 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 SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY INVESTMENT PERFORMANCE UPDATE.

AYES: SEN. KLEIN, COMMISSIONER HERINGER, 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
MOTION CARRIED

GOVERNANCE:

2025 Legislative Session Update:

Ms. Smith reviewed bills that have been introduced and would have an effect on the programs at RIO. The Board was provided with the RIO bill tracker which included recommended positions for each bill. H.B. 1022 is RIO's budget bill. Ms. Smith reviewed the budget requests. H.B. 1319 relates to a Legacy Fund disclosure website. Staff recommend a position of opposed to this bill as written, however would support the creation of a website for the Legacy Fund if RIO is provided the appropriate resources for the creation and upkeep of the site. H.B. 1330 relates to divestment of Legacy Funds investments in Chinese companies. Staff recommend a position of opposed as written but have been working on an amendment that would provide a different definition of a Chinese company. H.B. 1348 would remove the authority for the incentive compensation program and require the declassification of investment-related positions. Staff recommend a position of opposed to this bill. The Board discussed each bill and the position recommendations.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY SEN. KLEIN AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE STAFF BILL POSITION RECOMMENDATIONS AS PRESENTED.

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

The Board recessed at 10:14 a.m. and reconvened at 10:21 a.m.

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the December 13, 2024, IC meeting. The committee approved hiring an additional equity manager for the in-state investment program, targeting $40–50M annually in energy and infrastructure projects. Updates included U.S. equity portfolio consolidation, cash market overlay strategy adjustments to reduce performance drag, and progress on private market investments. The committee also approved new real estate commitments and will continue monitoring exposure guidelines and pacing analysis for private equity and international holdings.

Mr. Chin reviewed a minor change in the WSI Investment Policy Statement (IPS). The updated IPS was approved by the WSI Board and requires approval from the SIB.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE WSI INVESTMENT POLICY STATEMENT.

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

Governance and Policy Review (GPR) Committee Appointment:

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A VOICE VOTE TO NOMINATE JOE MORRISSETTE TO SERVE ON THE GPR COMMITTEE.

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

GPR Committee Update:

Dr. Lech provided an update from the January 14, 2025, GPR Committee meeting. The Committee met to review the new Investment Ethics policy and an amendment to the Proxy Voting policy. Both policies were reviewed by the IC and the GPR Committee was provided with a thorough review of both. The Committee recommends approval by the SIB.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE INTRODUCTION AND FIRST READING OF THE NEW INVESTMENT CODE OF ETHICS AND AMENDMENT TO POLICY V. G – PROXY VOTING.

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

Executive Review & Compensation Committee (ERCC) Update:

Dr. Lech provided an update from the January 17, 2025, ERCC meeting. The committee reviewed the surveys and timeline for the board self-assessment and surveys of the SIB and TFFR Boards as part of the review process for the Chief Investment Officer (CIO) and Deputy Executive Director/Chief Retirement Officer (DED/CRO). The board self-assessment survey was provided to the Board for approval.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE SIB SELF-ASSESSMENT SURVEY.

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

Executive Search Committee Update:

Dr. Lech provided an update from the January 13, 2025, Executive Search Committee meeting. Dr. Lech expressed gratitude to Ms. Smith who started as the Interim Executive Director (ED) and has provided her expertise to help RIO work through the legislative session. The Committee approved and issued a Request for Proposals (RFP) for an executive search firm to assist with the recruitment of candidates for the open ED and CFO/COO positions. Board discussion followed.

QUARTERLY MONITORING REPORTS:

Quarterly Investment Ends:

Mr. Posch provided the Investment Ends for the quarter ended December 31, 2024. During the quarter, the public markets team completed a major U.S. equity portfolio transition, adding new managers while terminating others. The next phase of this transition is underway, with two managers still under legal review. Progress was also made on the international portfolio, with a manager approved but onboarding paused for further clarity on account structure. The private markets team closed on two real estate managers and approved a new manager for the in-state program. Several new hires, including analysts for public equity and fixed income, were made to support ongoing initiatives. The risk team continues its work on the order and execution management system, with completion targeted for March.

Quarterly Outreach:

Ms. Mudder provided the Quarterly Outreach Report. In response to a media inquiry from the Jamestown Sun in mid-November, we clarified that meeting recordings are retained for six months, per our records retention schedule approved by the Attorney General's Office, Auditor's Office, and Historical Society. At the time of the request, the meeting in question was nine months old, and the recording no longer existed. It's worth noting that our retention period is longer than the state's standard one-month requirement. Additionally, we hosted a client fund webinar last quarter and shared a copy of the evaluation response and a new agency fact sheet. Another fact sheet specific to the investment program is near completion. 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 INVESTMENT ENDS AND QUARTERLY OUTREACH REPORTS.

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

ADJOURNMENT:

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 10:47 a.m.

Prepared by: Missy Kopp, Assistant to the Board