

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
APRIL 25, 2025, BOARD MEETING (IN-PERSON)**

MEMBERS PRESENT:

Kelly Armstrong, Governor, Chair
Dr. Rob Lech, TFFR Board, Vice Chair
Thomas Beadle, State Treasurer, Parliamentarian
Gerald Buck, PERS Board
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
Art Thompson, Director of WSI

MEMBERS ABSENT:

Rep. Glenn Bosch, LBSFAB

STAFF PRESENT:

Scott M. Anderson, CIO
Eric Chin, Deputy CIO/Head of AFM
Jac Collins, Sr. Investment Analyst
Cory Cox, Public Funds Analyst
Derek Dukart, Sr. Investment Analyst
Jennifer Ferderer, Fiscal/Investment Admin.
Chirag Gandhi, Portfolio Mgr.
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:

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, April 25, 2025. The meeting was held virtually.

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

AGENDA:

The Board considered the agenda for the April 25, 2025, SIB meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE APRIL 25, 2025, AGENDA.

**AYES: COMISSIONER 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**

MINUTES:

The Board considered the minutes of 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, MINUTES AS DISTRIBUTED.

**AYES: MR. MICKELSON, COMMISSIONER HERINGER, 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
MOTION CARRIED**

INVESTMENTS:

Internal Investment Initiative Update:

Mr. Anderson provided an update on the internal investment program. The Order and Execution Management System (OEMS) was launched in March and RIO has entered into the hyper-care phase of implementation to ensure the system works in the live environment. In early April the first pilot for the internal program was funded with \$275 million consisting of fixed income and equity strategies along with a \$10 million cash overlay. Mr. Anderson provided an update on the staffing of the internal investment team. Board discussion followed.

Quarterly Performance Update:

Mr. Anderson provided an update on performance for the period ending February 28, 2025. Mr. Anderson reviewed the markets, inflation, and tariffs. Performance updates were provided for PERS, TFFR, the Legacy Fund, and WSI. 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 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**

Sen. Klein left the meeting at 9:42 a.m.

The Board recessed at 9:42 a.m. and reconvened at 9:49 a.m.

EDUCATION:

Country Risk Assessment:

Mr. Vaidya provided board education which covered the country risk assessment framework used for the investment program.

GOVERNANCE:

2025 Legislative Session Update:

Ms. Smith provided an update on legislative activities that affect RIO and the SIB program. HB 1022, the RIO budget bill, went to conference committee and most of the Senate amendments were removed except for the TFFR funding for member education. HB 1319, which calls for the creation of a Legacy Fund website, has been passed. Staff will work on developing a separate website over the upcoming biennium. The project will take place in phases with the process being somewhat reliant on the new fiscal operating system which will feed data into the new website. HB 1330, which would prohibit certain investments in China, failed. Board discussion followed.

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the April 17, 2025, IC meeting. The investment team reported a smooth rollout of the OEMS platform, with only minor, anticipated reconciliation issues. They deployed \$275 million into fixed income and equity strategies, plus \$10 million in cash overlays, benefiting from favorable market timing. A trade error resolution procedure was introduced as a proactive risk management measure. A new manager was successfully onboarded with a \$355 million commitment. Contract negotiations continue with a previously approved in-state fund manager, and investment services contracts were reviewed for accountability and prudent spending. Board discussion followed.

Executive Review and Compensation Committee (ERCC) Update:

Dr. Lech provided an update from the April 9, 2025, ERCC meeting. The SIB has taken steps to institute good governance, which is directly related to outcomes, including performance. Part of the governance is the annual board self-assessment. The results of the assessment were positive overall. The Committee would like to see a higher response rate and numerical scores provide limited information if written comments are not included to provide context. The Committee recommends some enhancements including board education on the committee structure and the delegation of authority to committees and staff. The Committee discussed the value of bringing back an annual board retreat that focuses on board governance. Board discussion followed.

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

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

NAYS: NONE

ABSENT: REP. BOSCH AND SEN. KLEIN

MOTION CARRIED

Executive Search Update:

Ms. Seiler provided an update on the executive director (ED) search process. The position has been posted, and the search firm is processing candidates as they come in. The Committee will meet in May to decide on the candidates for the first round of interviews. There will be a special board meeting scheduled when the Committee has finalists ready.

Ms. Smith provided an update on the chief financial/operating officer (CFOO) search. We did not receive as many applications as we would like to establish a good pool of candidates, so the position was reopened. Staff will proceed with interviews and will schedule new candidates who apply if they are determined to be qualified. Ms. Smith announced the resignation of Ms. Kmetz. Ms. Smith is working with a consultant who we already have a contract with to try to find an interim CFOO who could come to RIO for about six months. The lack of CFOO candidates was discussed. The main feedback to the search firm from candidates who have withdrawn from the search is the compensation level for this position. Board discussion followed.

Board Calendar & Education Plan:

The proposed board calendar and education plan for 2025-26 was provided to the board. The plan is meant to be flexible and can be changed as needed. There is a placeholder for a board retreat, but that plan will be finalized when we know the timeline of the governance audit.

IT WAS MOVED BY DR. LECH AND SECONDED BY MR. JAHNER AND CARRIED BY A VOICE VOTE TO ACCEPT THE 2025-26 BOARD CALENDAR AND EDUCATION PLAN.

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

NAYS: NONE

ABSENT: REP. BOSCH AND SEN. KLEIN

MOTION CARRIED

REPORTS:

Annual Compliance Report:

Mr. Vaidya reviewed the annual compliance report for the investment program. The report outlines manager adherence to compliance guidelines for the last fiscal year (FY). Weaver is now providing daily compliance for both the internal and external investment managers.

Quarterly Investment Ends Report:

Mr. Posch provided the Investment Ends report for the quarter ending March 31, 2025. The funds management team finalized contracting with WorldQuant Millennium Advisors as part of the Equity 2.0 project and completed their onboarding. Cory Cox and Jac Collins joined the team and relocated to Bismarck. A \$150 million allocation was made to in-state manager 50 South. The order and execution management system successfully launched in March, with trading beginning in April, and work continues on data validation and a country risk model. Internally, a \$285 million pilot in equity and fixed income strategies were launched. Two investment interns were hired for the summer. Board discussion followed.

Quarterly Budget/Fiscal Conditions Report:

The budget/fiscal conditions report was provided to the Board for the quarter ending March 31, 2025. The report includes budget appropriation status, an expenditure summary, and the PAS project status. Staff anticipates that all expenses for the PAS project will be completed before the end of the biennium.

Quarterly Outreach Report:

Ms. Mudder provided the quarterly outreach report. The report included media inquiries and a list of meetings that staff have attended. Ms. Mudder reviewed the GovDelivery and social media engagement. Board discussion followed.

IT WAS MOVED BY MR. THOMPSON AND SECONDED BY DR. LECH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ANNUAL COMPLIANCE, QUARTERLY INVESTMENT ENDS, QUARTERLY BUDGET/FISCAL CONDITIONS, AND QUARTERLY OUTREACH REPORTS.

AYES: 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 AND SEN. KLEIN

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 10:49 a.m.

Prepared by: Missy Kopp, Assistant to the Board