

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
MAY 16, 2025, BOARD MEETING (IN-PERSON)**

MEMBERS PRESENT:

Kelly Armstrong, Governor, Chair
Dr. Rob Lech, TFFR Board, Vice Chair
Thomas Beadle, State Treasurer, Parliamentarian
Rep. Glenn Bosch, LBSFAB
Gerald Buck, PERS Board
Joseph Heringer, Commissioner of Univ. & School Lands
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
Art Thompson, Director of WSI

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.
Shiv Khare, Investment Intern
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:

Kirsten Tuntland, Assistant Attorney General
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, May 16, 2025. The meeting was held virtually.

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

AGENDA:

The Board considered the agenda for the May 16, 2025, SIB meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO APPROVE THE MAY 16, 2025, AGENDA.

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

NAYS: NONE

MOTION CARRIED

MINUTES:

The Board considered the minutes of the April 25, 2025, SIB meeting.

IT WAS MOVED BY DR. LECH AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE APRIL 25, 2025, MINUTES AS DISTRIBUTED.

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

NAYS: NONE

MOTION CARRIED

INVESTMENTS:

Performance Report Discussion:

Ms. Smith shared an update on the investment performance report that was originally on the board agenda. The performance report was not completed in time for the Board meeting. Because the May board meeting is earlier in the month and there are some additional challenges, as a result, staff and the consultant could not complete the report on time. Board discussion followed.

EDUCATION:

Committee Overview:

Ms. Smith provided information on each of the SIB subcommittees. The presentation included the composition, authority, and scope of each subcommittee. Board discussion followed.

GOVERNANCE:

2025 Legislative Session Review:

Ms. Smith reviewed key outcomes from the 2025 legislative session. HB 1022, RIO's appropriation bill, included \$25,000 for TFFR member education initiatives. The TFFR Board will discuss those initiatives at their retreat in July. The agency also received funding for an additional auditor FTE, business process mapping (BPM), and fiscal software identification. The BPM request for proposal (RFP) has been issued and scoring is underway. HB 1319, the Legacy Fund website, will be addressed after July 1, as resources become available. Other tracked bills and outcomes were provided in the board materials. Board discussion followed.

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the May 9, 2025, IC meeting. NEPC presented an update on their ongoing asset allocation analysis for the pension systems, with final recommendations expected in September. The committee reviewed the progress on investment strategy adjustments, data warehousing, and operational improvements. In closed session, two fund manager actions were approved. A \$35 million commitment to a private credit opportunity in the medical space and the addition of a new international equity manager as part

of the 2.0 strategy. Upon returning to open session, it was announced that Castlake was added to the private credit portfolio with a \$50 million commitment from the Legacy Fund.

Governance & Policy Review (GPR) Committee Update:

Dr. Lech provided an update from the April 30, 2025, GPR Committee meeting. The committee discussed the RFP process, which has been divided into two priorities: (1) a board governance model assessment and (2) an optional update of the governance policy program manual. The governance model assessment will focus on evaluating the current governance framework, identifying strengths and gaps, assessing related risks, and making recommendations for improvements along with board education to support potential transitions. The optional component involves updates to the program manual and related education. Vendor selection is anticipated by the end of July, with the contract expected to begin in August.

Audit Committee Update:

Treasurer Beadle provided an update from the May 14, 2025, Audit Committee meeting. UHY was awarded the contract for the financial audit, and the state auditor's office is finalizing the contract details, which will require a special Audit Committee meeting for approval. The internal audit work plan was reviewed, including efforts to shift some duties to support agency operations and address staffing gaps. Weaver continues to assist with investment-related audits and advisory work, helping to build systems, transfer knowledge, and provide potential backup support for the fiscal team. The Committee acknowledged the importance of maintaining appropriate firewalls when reallocating Weaver's resources and expressed appreciation for the progress made in strengthening the internal audit function.

Executive Search Committee Update:

Dr. Lech provided an update from the May 15, 2025, Executive Search Committee meeting. The committee met with staff from CBIZ to review the potential candidates for the ED position. The committee chose two finalists, Jodi Smith and Eli Martinez. The committee will conduct interviews with each candidate and will bring one or two finalists to the board for a second interview if desired, and appointment.

Ms. Smith shared an update on the CFOO search. The posting was reopened because of the low number of applicants. The initial round of interviews will be conducted while still accepting applications. Board discussion followed.

REPORTS:

Quarterly Audit Activities Report:

Ms. Seiler provided the Audit Activities Report for the quarter ending March 31, 2025. The Executive Limitations Audit is in progress, and surveys for executive and board assessments have been completed and reported. Exit interviews for the former Executive Director and CFO were conducted and shared with the interim director. Weaver was engaged as a co-sourcing partner, launching the external investment oversight audit and supporting development of the investment compliance program. The TFFR project successfully went live in February with internal audit participation.

Executive Limitations/Staff Relations Report:

Ms. Smith provided the Executive Limitations/Staff Relations report. Updates included staffing changes and efforts to address organizational disruptions, and implementation of strategic goals. Initiatives are underway to transition to SharePoint, implement an investment operations compliance plan, and develop succession plans for key leadership roles. Internal realignment, office space planning, and IT system improvements are ongoing, along with the project to identify a new system for fiscal and investment operations. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY REP. BOSCH AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY AUDIT ACTIVITIES AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.

AYES: REP. BOSCH, 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

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the SIB, Gov. Armstrong adjourned the meeting at 9:48 a.m.

Prepared by: Missy Kopp, Assistant to the Board