STATE OF THE SIB: STRATEGY

Scott Anderson, Chief Investment Office

October 23rd, 2025

NORTH Dakota | Retirement & Investment
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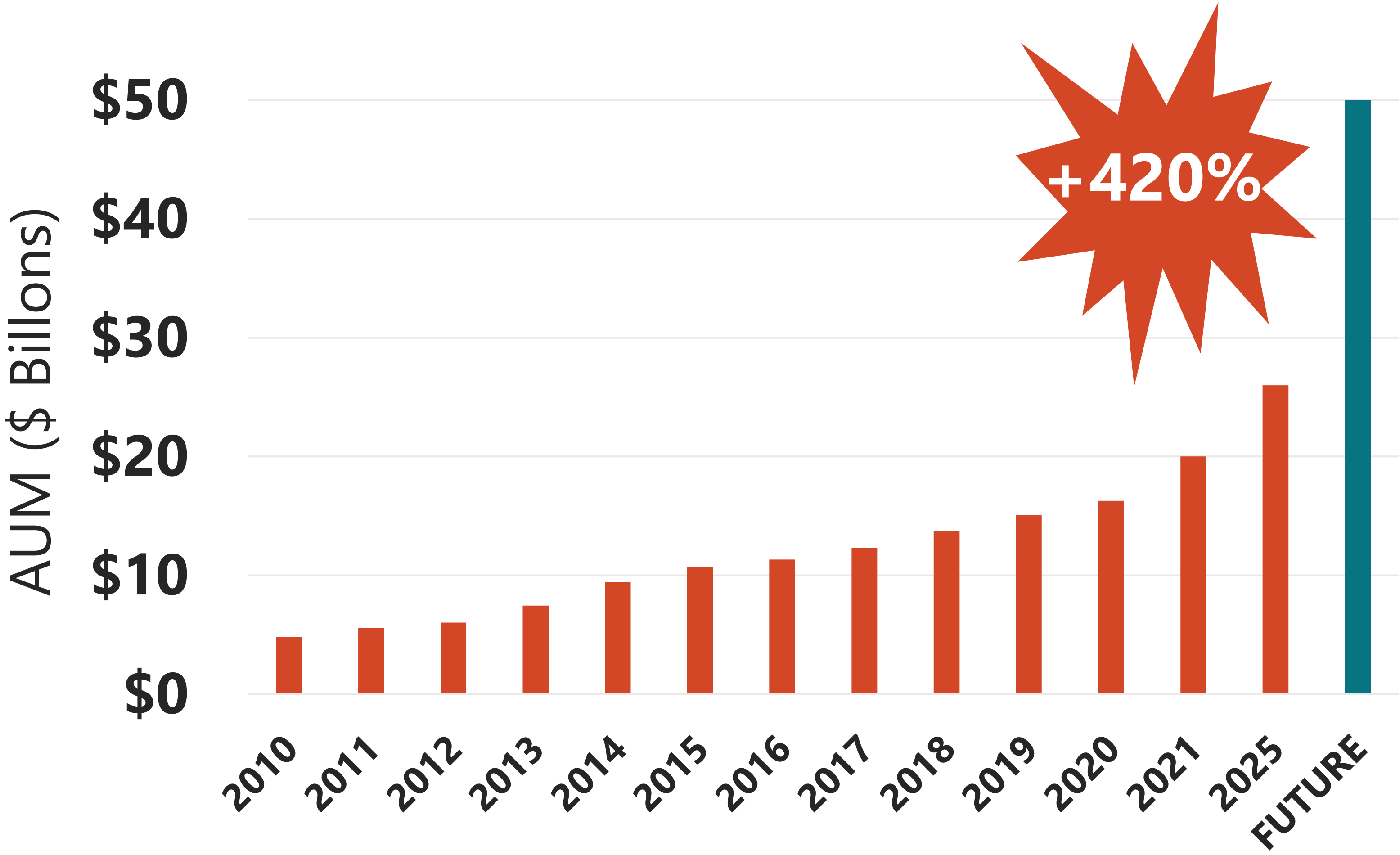
GROWTH CREATES SCALE BENEFITS



INITIAL OPPORTUNITY SUMMARY

Enhanced Indexing Strategies	• Enhanced indexing; multi-asset capability; leverages expertise with index information; same active return for a lower active risk and cost than external managers for simple mandates
Enhanced Liquidity Management	• Overlay of cash generates additional return and enables more available cash • Buying and selling of liquidity
Enhanced Rebalancing	• Rebalancing of exposures in shorter time frames • Rebalancing thru internal portfolios rather than managers – reducing transaction costs
Exposure Management	• Separate manager active return from manager policy return to optimize cost and active return • Manage exposures to manage risks and generate returns
Optimal Implementation	• Choose optimal instrument to implement policy exposures reduces cost, increases revenues, manages risk

NECESSARY CAPABILITIES FOR SUCCESS

Governance	A governance hierarchy including a staff run investment committee with some delegation as well as board level investment expertise
Talent Management	Specific investment role recognition as well as a total rewards package that is competitive with similar investment organizations
Operations	Appropriate staffing and skills or outsourcing of critical investment accounting, transaction processing, and enterprise risk capabilities
Data and Technology Infrastructure	High frequency and high-quality data as well as infrastructure to support data throughput and processing speeds
Research and Knowledge Management	A culture of research, learning, creativity and knowledge management supported by expectations, resources, and recognition

ORGANIZED FOR SUCCESS

Advanced Funds Management

- Public Market Fund of Funds Management
- Quant Risk and Funds Management

Private Markets

- Direct to GP Portfolio Management
- Private Equity
- Private Real Estate
- Infrastructure
- Private Debt

Internal Investment Management

- Enhance Indexing
- Cash Overlay
- Implement Client Fund Exposure Management
- Future Active Management

INTERNAL INVESTMENT PERFORMANCE

4/1/25-10/10/25 on ~$680 MILLION average

$12.4 MILLION of cash overlay savings

+

$964 THOUSAND of excess returns

+

~ $300,000 of annualized fee savings

PUBLIC MARKETS PORTFOLIO

Eric Chin, Deputy CIO
October 23rd, 2025

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EVOLUTION OF THE PUBLIC MARKETS PORTFOLIOS

2022

EQUITY 1.0

Rationalized and harmonized the equity portfolio across 25+ client funds using existing investment strategies.

2023

IG FIXED INCOME 1.0

Rationalized and harmonized the investment grade fixed income portfolio across 25+ client funds using existing strategies.

2024

HIGH YIELD 1.0

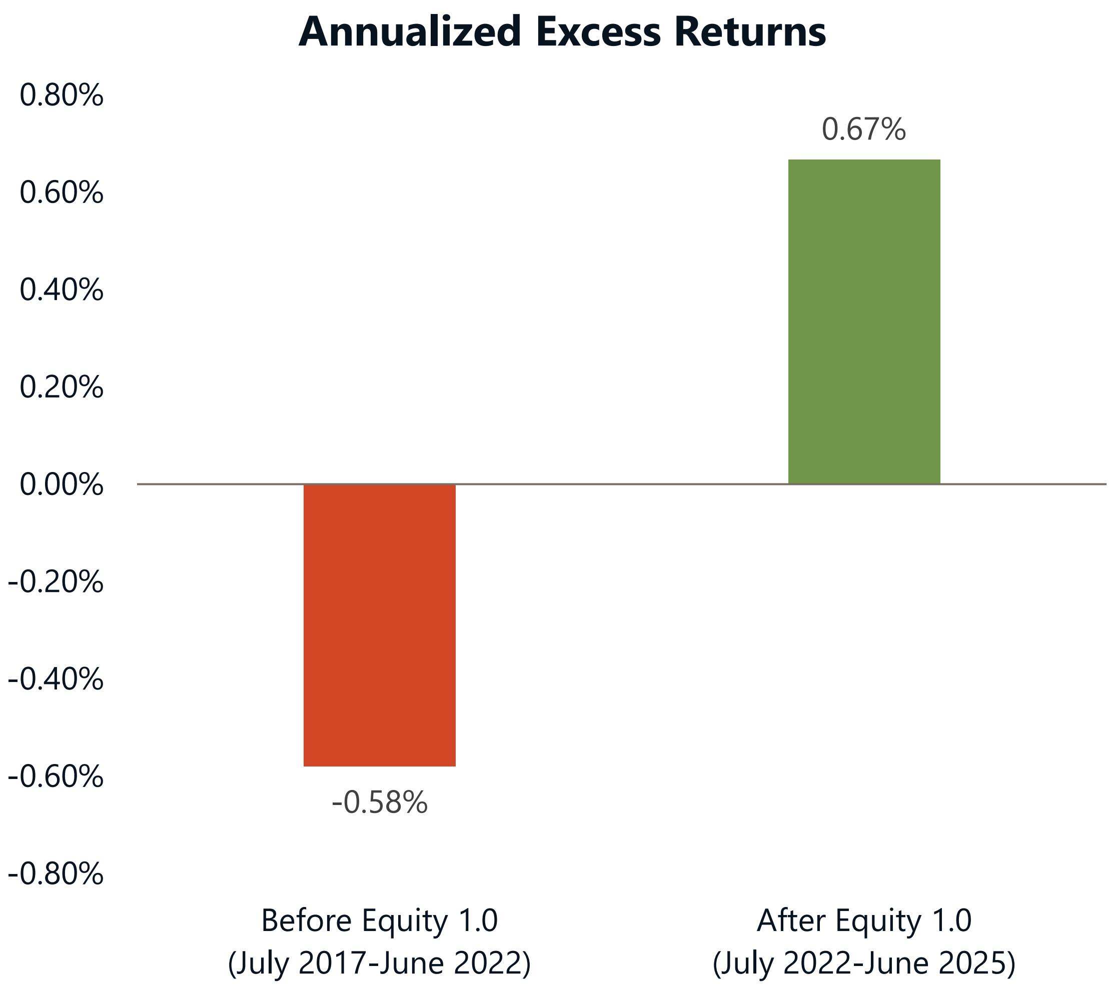
Rationalized high yield portfolios across client funds. Selected new managers to implement the Legacy Fund high yield allocation.

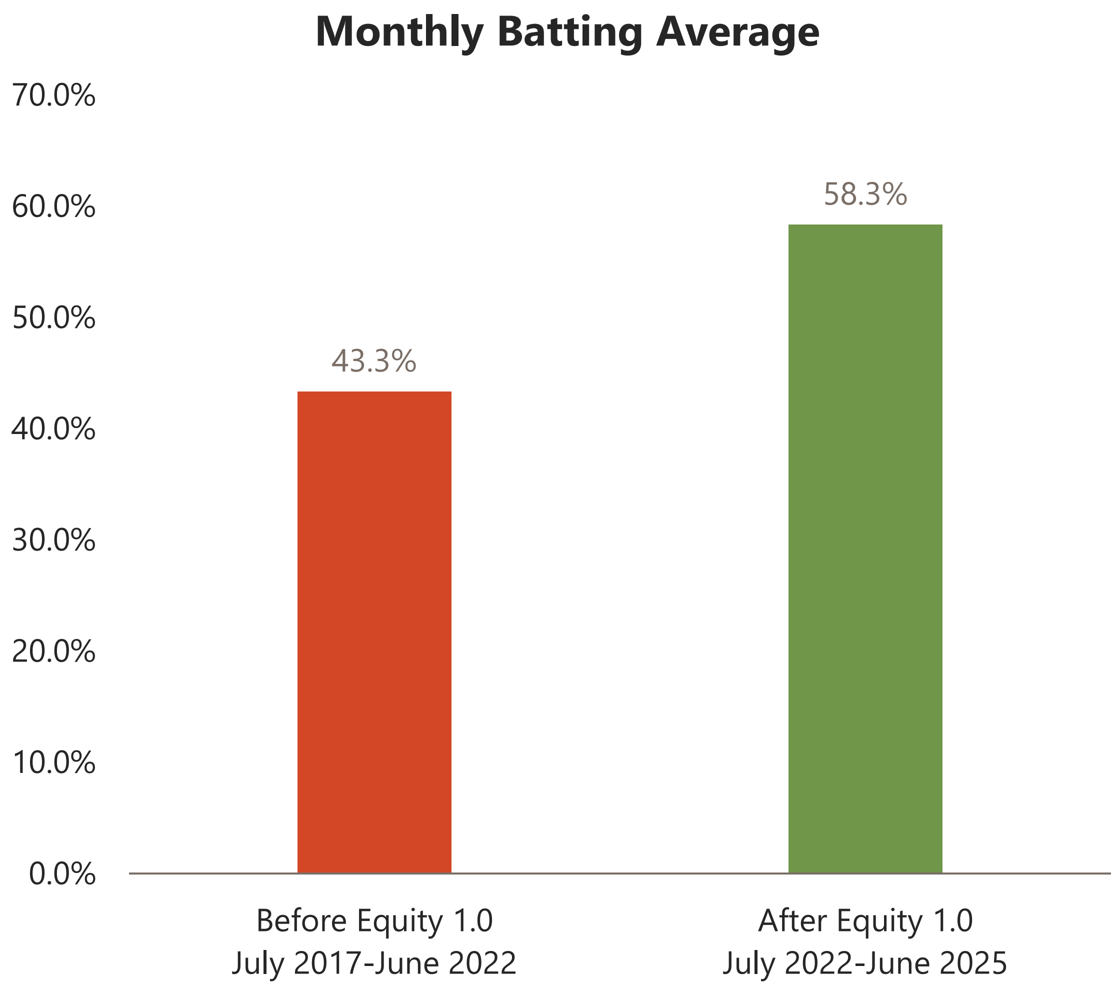
2024-Ongoing

EQUITY 2.0

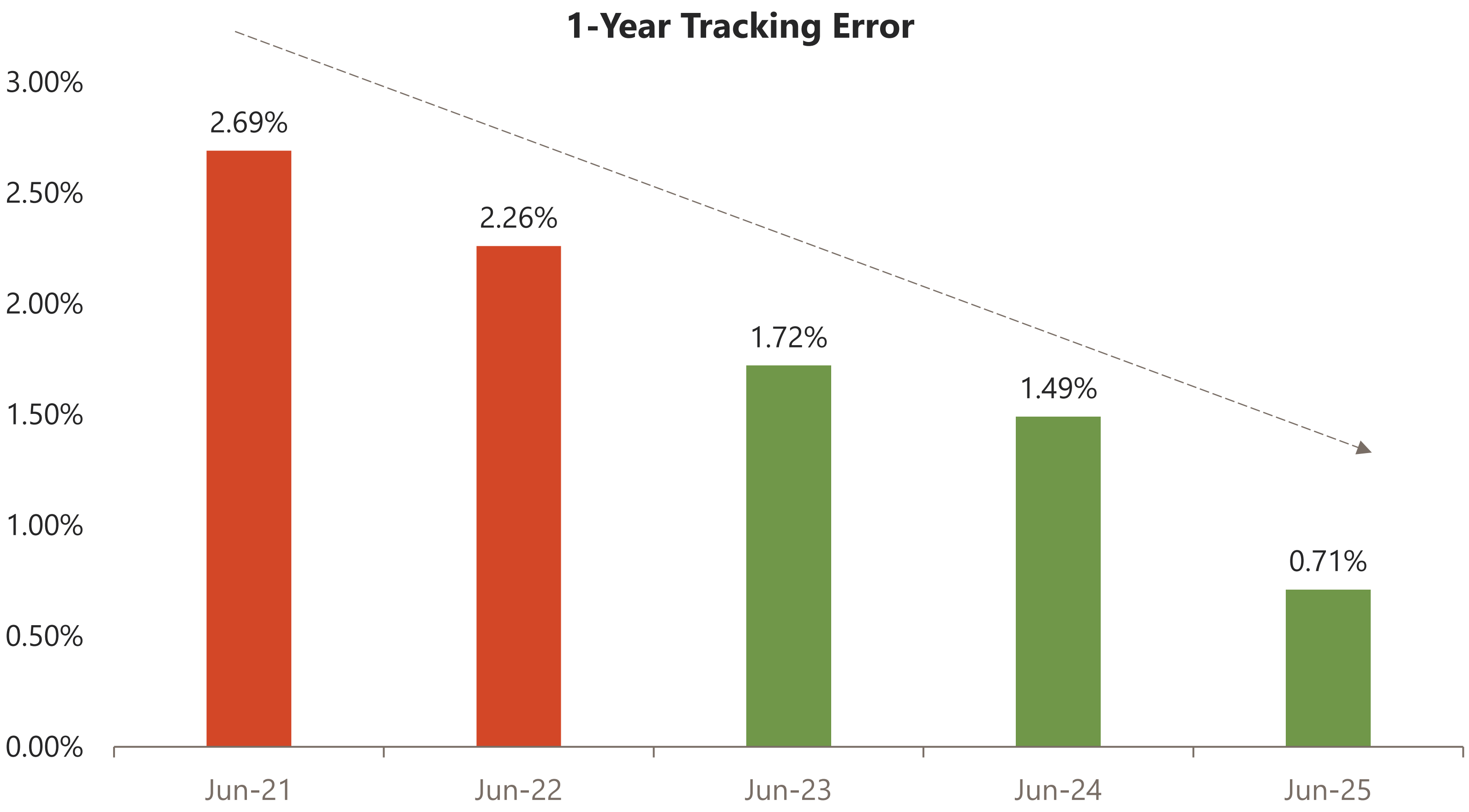
Comprehensive reimagination of the equity program, including evaluation of the long-only universe and onboarding of new managers.

U.S. EQUITY PORTFOLIO RESULTS AFTER RESTRUCTURING





EQUITY PORTFOLIO CHANGES REDUCED ACTIVE RISK



Tracking error declined from 2.7% to 0.7% since June 2021, while maintaining/enhancing excess returns.

LOOKING AHEAD: STRATEGIC PRIORITIES FOR PUBLIC MARKETS

ENHANCED MANAGER SELECTION

- Complete Equity 2.0 and Fixed Income 2.0 initiatives
- Explore 130/30 and portable alpha strategies

PORTFOLIO OPTIMIZATION

- Implement risk-based portfolio construction
- Enhance active risk budgeting and manager sizing
- Explore and implement completion portfolios (e.g. factor)

DYNAMIC ALLOCATION

- Adjust portfolios & exposures to capture market inefficiencies
- Evaluate regime and factor environments to inform tactical shifts

ENHANCED IMPLEMENTATION

- Optimize rebalancing process
- Internal vs external implementation
- Improved transition management