

**NORTH DAKOTA STATE INVESTMENT BOARD  
MINUTES OF THE  
APRIL 26, 2024, BOARD MEETING (IN-PERSON)**

**MEMBERS PRESENT:** Dr. Rob Lech, TFFR Board, Vice Chair  
Thomas Beadle, State Treasurer, Parliamentarian  
Rep. Glenn Bosch, LBSFAB  
Joseph Heringer, Commissioner of Unv. & School Lands  
Pete Jahner, Investment Professional  
Sen. Jerry Klein, LBSFAB  
Cody Mickelson, TFFR Board  
Joe Morrissette, PERS Board  
Dr. Prodosh Simlai, Investment Professional  
Susan Sisk, Director of OMB  
Art Thompson, Director of WSI

**MEMBERS ABSENT:** Tammy Miller, Lt. Governor, Chair  
Adam Miller, PERS Board

**STAFF PRESENT:** Scott Anderson, CIO  
Eric Chin, Deputy CIO  
Derek Dukart, Investment Officer  
Jennifer Ferderer, Fiscal/Investment Admin.  
Rachel Kmetz, Accounting Mgr.  
Missy Kopp, Exec. Assistant  
Robbie Morey, Investment Accountant  
George Moss, Sr. Investment Officer  
Sarah Mudder, Communications/Outreach Dir.  
Jan Murtha, Exec. Dir.  
Matt Posch, Sr. Investment Officer  
Emmalee Riegler, Procurement/Records Coord.  
Chad Roberts, DED/CRO  
Sara Seiler, Internal Audit Supvr.  
Ryan Skor, CFO/COO  
Dottie Thorsen, Internal Auditor  
Nitin Vaidya, Chief Risk Officer  
Tami Volkert, Compliance Spec.  
Susan Walcker, Sr. Financial Accountant  
Jason Yu, Risk Officer  
Lance Zietlow, Sr. Investment Officer

**GUESTS:** Dean DePountis, Attorney General's Office  
Members of the Public

**CALL TO ORDER:**

Dr. Lech, Vice Chair, called the State Investment Board (SIB) regular meeting to order at 8:30 a.m. on Friday, April 26, 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, Commissioner Heringer, Mr. Jahner, Dr. Lech, Mr. Mickelson, Mr. Morrissette, Dr. Simlai, Ms. Sisk, and Mr. Thompson.**

**ACCEPTANCE OF AGENDA:**

The Board considered the agenda for the April 26, 2024, meeting.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY REP. BOSCH AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.**

**AYES: COMMISSIONER HERINGER, TREASURER BEADLE, MS. SISK, REP. BOSCH, MR. THOMPSON, DR. SIMLAI, MR. MICKELSON, DR. LECH, MR. MORRISSETTE, AND MR. JAHNER**

**NAYS: NONE**

**ABSENT: SEN. KLEIN, MR. MILLER, AND LT. GOV. MILLER**

**MOTION CARRIED**

**MINUTES:**

The Board considered the minutes of the March 22, 2024, SIB meeting.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 22, 2024, MINUTES AS DISTRIBUTED.**

**AYES: MR. MICKELSON, COMMISSIONER HERINGER, MR. MORRISSETTE, MR. THOMPSON, TREASURER BEADLE, DR. LECH, MR. JAHNER, MS. SISK, REP. BOSCH, AND DR. SIMLAI**

**NAYS: NONE**

**ABSENT: SEN. KLEIN, MR. MILLER, AND LT. GOV. MILLER**

**MOTION CARRIED**

**INVESTMENTS:**

**Quarterly Performance Report:**

Mr. Anderson provided a performance update as of December 31, 2023, and as of February 28, 2024. An overview was provided of the economy and how that has affected performance. Mr. Anderson reviewed performance for PERS, TFFR, Legacy Fund, and WSI. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MS. SISK AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY PERFORMANCE REPORT.**

**AYES: REP. BOSCH, SEN. KLEIN, COMMISSIONER HERINGER, DR. SIMLAI, MS. SISK, MR. MORRISSETTE, MR. MICKELSON, TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, AND DR. LECH**

**NAYS: NONE**

**ABSENT: MR. MILLER AND LT. GOV. MILLER**

**MOTION CARRIED**

**Internal Investment Initiative Update:**

Mr. Anderson discussed how we determine success and the role the Board, Legislature, and staff play in building up the needed capabilities to launch the initiative. Information was provided about tasks that have been completed and those that are in progress. The procurement of the Order/Performance Management (OMS/PMS) is still in process. The OMS/PMS will determine how the project moves forward. All other tasks were completed on time. Staff feel the initiative is two to three months behind but continue to work on tasks that can be completed without the system in place. Staff commented that procurement staff have been very helpful throughout the process. Board discussion followed.

**Country Risk:**

Mr. Vaidya provided an overview of a country risk assessment framework and compared challenges in China versus opportunities and risks in India. An overview was provided of geopolitics and geoeconomics and their impact on financial markets. Mr. Vaidya reviewed the country risk framework that staff are utilizing to perform country risk assessments. Board discussion followed.

Dr. Simlai left the meeting at 10:00 a.m.

The Board recessed at 10:12 a.m. and reconvened at 10:28 a.m.

Sen. Klein and Rep. Bosch left the meeting at 10:12 a.m.

**GOVERNANCE:**

**SIB GPR Committee Update:**

Dr. Lech provided an update from the April 18, 2024, GPR meeting. The Committee completed their review of the full SIB Governance Manual which is being brought to the Board for a first reading. The Committee also reviewed changes to the Audit Committee Charter and a new Internal Audit Charter. Both charters were approved for recommendation to the SIB. The Committee also reviewed the proposed board and committee meeting schedule for fiscal year 2025. With the shift to more frequent committee meetings and increased delegation to those committees, it has been proposed to reduce SIB meetings from ten to eight per year. Board discussion followed.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE INTRODUCTION AND FIRST READING OF AMENDMENTS TO THE SIB GOVERNANCE MANUAL.**

**AYES: TREASURER BEADLE, MR. JAHNER, MR. THOMPSON, COMMISSIONER HERINGER, MR. MORRISSETTE, DR. LECH, MS. SISK, AND MR. MICKELSON**

**NAYS: NONE**

**ABSENT: REP. BOSCH, SEN. KLEIN, MR. MILLER, LT. GOV. MILLER, AND DR. SIMLAI**

**MOTION CARRIED**

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE AMENDMENTS TO THE AUDIT CHARTERS.**

**AYES: MS. SISK, COMMISSIONER HERINGER, DR. LECH, TREASURER BEADLE, MR. MICKELSON, MR. JAHNER, MR. THOMPSON, AND MR. MORRISSETTE**

**NAYS: NONE**

**ABSENT: REP. BOSCH, SEN. KLEIN, MR. MILLER, LT. GOV. MILLER, AND DR. SIMLAI**

**MOTION CARRIED**

**IT WAS MOVED BY COMMISSIONER HERINGER AND SECONDED BY TREASURER BEADLE AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE PROPOSED BOARD AND COMMITTEE CALENDAR FOR FY 2025.**

**AYES: MR. MORRISSETTE, MR. MICKELSON, DR. LECH, MR. JAHNER, MS. SISK, MR. THOMPSON, COMMISSIONER HERINGER, AND TREASURER BEADLE**

**NAYS: NONE**

**ABSENT: REP. BOSCH, SEN. KLEIN, MR. MILLER, LT. GOV. MILLER, AND DR. SIMLAI**

**MOTION CARRIED**

**SIB ERCC Committee Update:**

Dr. Lech provided an overview of the ED performance evaluation process and encouraged Board members to review the committee materials to see the volume of data that is collected for the evaluation. The ERCC has been discussing compensation for the ED and would like clear direction from the Board. The Committee requested a goal and timeline before they make a formal recommendation for ED compensation to the SIB. The Board discussed what data to base the target salary on and decided to use external market comparison data instead of in-state comparisons. Further Board discussion followed.

**IT WAS MOVED BY MR. THOMPSON AND SECONDED BY COMMISSIONER HERINGER AND CARRIED BY A ROLL CALL VOTE TO APPROVE A TARGET RANGE OF THE 50<sup>TH</sup> PERCENTILE BASED ON NATIONALLY NORMED SURVEY DATA FOR THE ED SALARY WITH A TIME HORIZON OF FIVE BIENNIUMS.**

**AYES: MS. SISK, TREASURER BEADLE, COMMISSIONER HERINGER, MR. THOMPSON, MR. JAHNER, MR. MORRISSETTE, MR. MICKELSON, AND DR. LECH**

**NAYS: NONE**

**ABSENT: REP. BOSCH, SEN. KLEIN, MR. MILLER, LT. GOV. MILLER, AND DR. SIMLAI**  
**MOTION CARRIED**

Investment Committee (IC) Update:

Treasurer Beadle provided an update from the March 15, 2024, IC Meeting. The Committee received an update from Callan on asset allocation expectations. Staff provided an investment strategy review and manager updates. The Committee received a manager recommendation in closed session. Board discussion followed.

**QUARTERLY MONITORING REPORTS:**

Investment Ends:

Mr. Posch reviewed the Investment Ends report for the quarter ended March 31, 2024. Staff successfully completed the high yield manager search and conducted numerous due diligence meetings as part of the Equity 2.0 project. The risk team has been involved in the procurement of the OEMS/PMS system, continued to enhance the country risk assessment framework, and has been exploring cash overlay which will be the first internal investment management strategy. Board discussion followed.

Budget/Fiscal Conditions Report:

Mr. Skor reviewed the Budget/Fiscal Conditions report for the quarter ended March 31, 2024. The report includes budget appropriations status, expenditure summary, and the pension administration system (PAS) project status. Mr. Skor provided an update on activities relating to onboarding three new client funds. One request has been forwarded to the Industrial Commission for their approval. Staff are working with the other two funds on their investment policy statements which will be brought to the SIB for approval. Board discussion followed.

TFFR Ends Report:

Mr. Roberts provided the TFFR Ends report for the quarter ended March 31, 2024. The report highlights exceptions to the normal operating condition of the TFFR program. The administrative rules process was completed during the quarter. Staff published newsletters for retired and active members. Phase one of user acceptance testing for the PAS was completed. The TFFR GPR Committee continued their review of the TFFR Governance Manual. Board discussion followed.

Outreach Report:

Ms. Mudder provided the Communications and Outreach Report for the quarter ended March 31, 2024. The report includes media articles or interviews that RIO has directly participated in and a list of meetings RIO staff have participated in. Ms. Mudder shared data on engagement rates of electronic communications based on topics of communications. Board discussion followed.

Executive Limitations/Staff Relations:

Ms. Murtha provided the Board with the Executive Limitations/Staff Relations report and asked for any questions or feedback they may have.

**IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. THOMPSON AND CARRIED BY A VOICE VOTE TO ACCEPT THE INVESTMENT ENDS, BUDGET/FISCAL CONDITIONS, TFFR ENDS, OUTREACH, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.**

**AYES: MR. THOMPSON, MS. SISK, MR. MORRISSETTE, MR. JAHNER, MR. MICKELSON, COMMISSIONER HERINGER, DR. LECH, AND TREASURER BEADLE**

**NAYS: NONE**

**ABSENT: REP. BOSCH, SEN. KLEIN, MR. MILLER, LT. GOV. MILLER, AND DR. SIMLAI  
MOTION CARRIED**

**ADJOURNMENT:**

With no further business to come before the SIB, Dr. Lech adjourned the meeting at 11:33 a.m.

Prepared by: Missy Kopp, Assistant to the Board