



ND STATE INVESTMENT BOARD MEETING

Friday, June 28, 2013, 8:30 a.m.
State Capitol, Peace Garden Room
Bismarck, ND

AGENDA (Revised)

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA

II. ACCEPTANCE OF MINUTES (May 17, 2013)

III. INVESTMENTS

- A. Legacy Fund Transition Plan - Mr. Schulz (enclosed) 45 min
- B. Manager Catalog - Ms. Flanagan (enclosed) 5 min
- C. Westridge - Ms. Kelsch
Executive Session for Attorney Consultation
N.D.C.C. §44-04-19.1(2), N.D.C.C. §44-04-19.1(5) and N.D.C.C. §44-04-19.2

IV. GOVERNANCE

- A. Administration
 - 1. Search Committee Update - Search Committee
 - 2. Audit Committee Liaison Report - Mr. Gessner (Enclosure) 5 min

V. MONITORING REPORTS (acceptance needed - questions only) (5 min)

- A. Watch List - (enclosed) Mr. Schulz

VI. OTHER

Next SIB Meeting - July 26, 2013, 8:30 a.m. - State Capitol, Peace Garden Room
SIB Audit Committee meeting - September 27, 2013, 1:00 p.m. - State Capitol, Peace Garden Room

VII. ADJOURNMENT

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
MAY 17, 2013, BOARD MEETING**

BOARD MEMBERS PRESENT: Drew Wrigley, Lt. Governor, Chair
Mike Sandal, Vice Chair
Levi Erdmann, PERS Board
Lance Gaebe, Land Commissioner
Mike Gessner, TFFR Board
Bryan Klipfel, Workforce Safety & Insurance
Howard Sage, PERS Board
Kelly Schmidt, State Treasurer
Bob Toso, TFFR Board

BOARD MEMBERS ABSENT: Clarence Corneil, TFFR Board
Adam Hamm, Insurance Commissioner

STAFF PRESENT: Connie Flanagan, Fiscal & Investment Officer
Fay Kopp, Interim Executive Director
Leslie Moszer, Compliance Officer
Darlene Roppel, Retirement Assistant
Darren Schulz, Interim CIO
Susan Walcker, Investment Accountant

OTHERS PRESENT: Weldee Baetsch, former PERS/SIB trustee
Paul Erlendson, Callan Associates
Kristina Kalebich, Calamos Advisors
Craig Mauri, Calamos Advisors
Jan Murtha, Attorney General's Office

CALL TO ORDER:

Lt. Governor Wrigley called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, May 17, 2013, at the State Capitol, Peace Garden Room, Bismarck, ND.

A quorum was present for the purpose of conducting business.

AGENDA:

IT WAS MOVED BY MR. GESSNER AND SECONDED BY MR. ERDMANN AND CARRIED ON A VOICE VOTE TO ACCEPT THE REVISED MAY 17, 2013, AGENDA.

AYES: TREASURER SCHMIDT, MR. SANDAL, MR. KLIPFEL, MR. GESSNER, MR. ERDMANN, MR. TOSO, MR. SAGE, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GAEBE, COMMISSIONER HAMM, MR. CORNEIL

MINUTES:

The minutes were considered from the April 26, 2013, meeting,

IT WAS MOVED BY MR. GESSNER AND SECONDED BY TREASURER SCHMIDT AND CARRIED ON A VOICE VOTE TO ACCEPT THE APRIL 26, 2013, MINUTES AS WRITTEN AND AMENDED.

AYES: MR. GESSNER, MR. SAGE, MR. KLIPFEL, TREASURER SCHMIDT, MR. TOSO, MR. ERDMANN, MR. SANDAL, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER GAEBE, COMMISSIONER HAMM, MR. CORNEIL

INVESTMENTS:

Calamos - Representatives Ms. Kristina Kalebich and Mr. Craig Mauri reviewed recent organizational changes within the firm and the firm's performance of the global opportunities equity mandate in the Pension Trust.

Mr. Erlendson and the SIB discussed Calamos' performance, changes in organizational structure, review of current fee structure, and Mr. Erlendson's observations from his March 19, 2013, onsite visit.

Mr. Schulz's recommendation is to follow-up with an additional onsite visit at which time he will bring back his recommendations to the SIB.

Performance Measurement - Mr. Erlendson reviewed the performance of the asset classes for the Pension Trust and Insurance Trust for the period ending March 31, 2013.

IT WAS MOVED BY MR. SANDAL AND SECONDED BY MR. SAGE AND CARRIED BY A VOICE VOTE TO ACCEPT THE CALLAN PERFORMANCE MEASUREMENT REPORTS FOR THE PENSION TRUST AND THE INSURANCE TRUST FOR THE QUARTER ENDING MARCH 31, 2013.

AYES: MR. ERDMANN, TREASURER SCHMIDT, COMMISSIONER GAEBE, MR. TOSO, MR. SANDAL, MR. GESSNER, MR. SAGE, MR. KLIPFEL, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM, MR. CORNEIL

The SIB recessed at 10:18 am and reconvened at 10:50 am.

Bank of North Dakota (BND) - Ms. Flanagan stated on May 10, 2013, a deposit of \$2,542,044.34 was received from the BND for the account corrections for the pension long treasury passive fixed income mandate. Staff is currently working with State Street to finalize a contract to manage the assets previously managed by the BND. Lt. Governor Wrigley recognized everyone involved for their hard work in resolving the issue.

GOVERNANCE:

Search Committee - Mr. Sandal updated the SIB on the Executive Director/Chief Investment Officer search. The SIB Search Committee selected Korn/Ferry International and a contract has been executed. Mr. Sandal reviewed a tentative timeline. Korn/Ferry will begin their work the week of May 20, 2013. The SIB Search Committee and SIB will be interviewed by Korn/Ferry the week of May 27, 2013, to review what has been done and determine the needs and the job specifications. The job specs are scheduled to be finalized the week of June 3, 2013, and Korn/Ferry will begin making calls to potential candidates. A progress report will be provided to the SIB at their June 28, 2013, meeting. Candidate first and second round interviews will be conducted by the Search Committee and are tentatively scheduled for the first two weeks of July. The Search Committee will narrow the field down to a reasonable number and those candidates will be

brought before the full SIB who will determine the finalist. Korn/Ferry will work with the SIB and the finalist to negotiate an offer of employment.

Mr. Sandal reiterated that any board member is welcome to attend any of the Search Committee meetings. The meetings will be noticed and are also open to the public.

Compensation Committee - Treasurer Schmidt reviewed the SIB's action from their April 26, 2013, meeting addressing compensation for the Deputy Chief Investment Officer (CIO), a non classified position. The SIB issued the Deputy CIO a base salary increase of 7%, effective July 1, 2013, and also granted a temporary Interim CIO salary increase of 20%, retroactive to April 1, 2013, which is also to be carried forward and applied to the new base salary that is in effect July 1, 2013.

The SIB discussed their authority to adjust compensation for this non classified position. NDCC 21-10-02 authorizes the SIB to appoint an Investment Director which gives the SIB the authority to adjust Mr. Schulz's compensation as Interim CIO. The 2013 Legislative Session, HB1015, specifically states compensation adjustments for regular non classified state employees is to be in a range of 3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for the second year of the biennium based on market and documented performance.

After discussion,

TREASURER SCHMIDT MOVED AND MR. SANDAL SECONDED TO ISSUE MR. SCHULZ, INTERIM CIO, PERFORMANCE BASED SALARY INCREASES OF 2 PERCENT EFFECTIVE MAY 1, 2013, AND 5 PERCENT EFFECTIVE JULY 1, 2013.

AYES: MR. ERDMANN, MR. GESSNER, MR. SAGE, MR. SANDAL, TREASURER SCHMIDT, MR. KLIPFEL, MR. TOSO, COMMISSIONER GAEBE, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM, MR. CORNEIL

This motion clarifies and changes the SIB's motion from their April 26, 2013, meeting regarding compensation for Mr. Schulz to reflect the intent of HB1015 regarding compensation for non classified employees. The 20% temporary Interim CIO salary increase will stay in effect until the ED/CIO is appointed.

Contingency Funds - Ms. Flanagan requested authorization from the SIB to utilize funds from RIO's contingency line for the executive search contract for the 2011-13 and 2013-15 bienniums.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. TOSO TO AUTHORIZE STAFF TO UTILIZE CONTINGENCY LINE FUNDS FOR THE EXECUTIVE SEARCH CONTRACT FOR THE 2011-13 AND 2013-15 BIENNIUMS.

AYES: TREASURER SCHMIDT, MR. GESSNER, MR. KLIPFEL, COMMISSIONER GAEBE, MR. SAGE, MR. TOSO, MR. SANDAL, MR. ERDMANN, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM, MR. CORNEIL

MONITORING REPORTS - The "watch list" report was presented to the SIB for their consideration.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. GESSNER TO ACCEPT THE "WATCH LIST" REPORT.

AYES: MR. SAGE, MR. SANDAL, MR. GESSNER, MR. TOSO, MR. ERDMANN, MR. KLIPFEL, COMMISSIONER GAEBE, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: MR. CORNEIL, COMMISSIONER HAMM

OTHER:

Ms. Flanagan informed the SIB Ms. Moszer is resigning from her position as Compliance Officer effective June 6, 2013. The SIB thanked Ms. Moszer for her contributions to RIO and wished her well.

The next SIB meeting is scheduled for June 28, 2013, at 8:30 am in the Peace Garden Room at the State Capitol.

The next Audit Committee meeting is scheduled for September 27, 2013, at 1:00 pm in the Peace Garden Room at the State Capitol.

ADJOURNMENT:

With no further business to come before the SIB, Lt. Governor Wrigley adjourned the meeting at 11:17 a.m.

Lt. Governor Wrigley, Chair
State Investment Board

Bonnie Heit
Assistant to the Board

Legacy Fund Strategic Asset Allocation Transition Plan

Executive Summary

Recommendation:

Staff recommends that the State Investment Board approve a transition plan in which the new strategic asset allocation for the Legacy Fund will be fully implemented over a period of approximately 18 months in order to dampen the potentially negative impact of short term market volatility among targeted asset classes.

Rationale:

At the April 26 SIB meeting, the State Investment Board approved a new strategic asset allocation for the Legacy Fund, which is as follows:

<u>Asset Class</u>	<u>Target %</u>
Broad US Equity	30%
Broad International Equity	20%
Fixed Income	35%
Diversified Real Assets	10%
Core Real Estate	5%
	<u>100%</u>

In consultation with RV Kuhns and Callan Associates, Staff developed the attached transition plan with the goal of fully implementing the new strategic asset allocation over the course of a period of approximately 18 months. The pacing of implementation was selected to mitigate the potentially negative long-term impact of market volatility among each of the targeted asset classes.

Attachment 1 outlines the transition plan. Funding of all new asset classes would be achieved through a combination of monthly tax revenue deposits and transfers of a fixed amount of the existing short-term fixed income mandates. Each month, all monthly tax revenue inflows would be deployed into all new asset classes weighted in accordance with the policy allocation of each asset class. At the same time, an additional \$71 million would be transferred from the short-term fixed income allocation into the new asset classes based on their respective policy weights. As a result, the pace of funding into the new asset classes would be higher in the initial months of the transition due to the fact that the fixed amount of transfers would represent a larger percentage of the asset base.

Attachment 1

Legacy Fund Asset Allocation Transition

All New \$ pro-rata to All New Asset Classes and Gradual (\$71 M per month) Transition out of ST Fixed

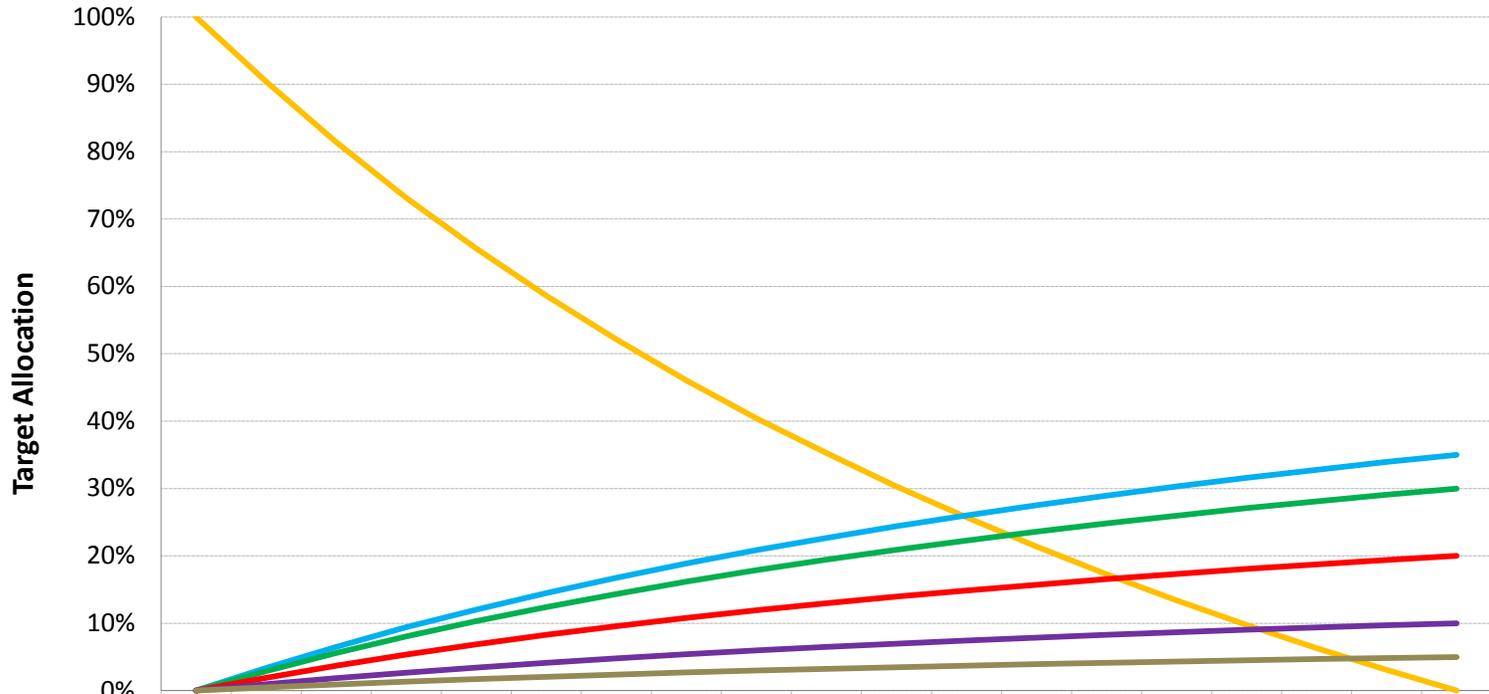
Initial Balance (Est. July 2013) \$1,275,000,000

Monthly Tx out of ST Fixed: \$ 70,833,333

	Asset Allocation							Total
	Target	30%	20%	35%	10%	5%	0%	
	New Contributions*	US Equity	Non-US Equity	Broad Fixed Income	Diversified Real Assets	Core Real Estate	Short-Term Fixed	
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,000,000	\$ 1,275,000,000
Month 1	\$ 128,455,083	\$ 38,536,525	\$ 25,691,017	\$ 44,959,279	\$ 12,845,508	\$ 6,422,754	\$ 1,204,166,667	\$ 1,332,621,750
Month 2	\$ 130,453,308	\$ 77,672,518	\$ 51,781,678	\$ 90,617,937	\$ 25,890,839	\$ 12,945,420	\$ 1,133,333,333	\$ 1,392,241,725
Month 3	\$ 131,199,633	\$ 117,032,408	\$ 78,021,605	\$ 136,537,809	\$ 39,010,803	\$ 19,505,401	\$ 1,062,500,000	\$ 1,452,608,025
Month 4	\$ 129,177,333	\$ 155,785,608	\$ 103,857,072	\$ 181,749,875	\$ 51,928,536	\$ 25,964,268	\$ 991,666,667	\$ 1,510,952,025
Month 5	\$ 131,199,633	\$ 195,145,498	\$ 130,096,998	\$ 227,669,747	\$ 65,048,499	\$ 32,524,250	\$ 920,833,333	\$ 1,571,318,325
Month 6	\$ 129,899,583	\$ 234,115,373	\$ 156,076,915	\$ 273,134,601	\$ 78,038,458	\$ 39,019,229	\$ 850,000,000	\$ 1,630,384,575
Month 7	\$ 131,945,958	\$ 273,699,160	\$ 182,466,107	\$ 319,315,687	\$ 91,233,053	\$ 45,616,527	\$ 779,166,667	\$ 1,691,497,200
Month 8	\$ 131,945,958	\$ 313,282,948	\$ 208,855,298	\$ 365,496,772	\$ 104,427,649	\$ 52,213,825	\$ 708,333,333	\$ 1,752,609,825
Month 9	\$ 125,806,833	\$ 351,024,998	\$ 234,016,665	\$ 409,529,164	\$ 117,008,333	\$ 58,504,166	\$ 637,500,000	\$ 1,807,583,325
Month 10	\$ 131,945,958	\$ 390,608,785	\$ 260,405,857	\$ 455,710,249	\$ 130,202,928	\$ 65,101,464	\$ 566,666,667	\$ 1,868,695,950
Month 11	\$ 129,899,583	\$ 429,578,660	\$ 286,385,773	\$ 501,175,103	\$ 143,192,887	\$ 71,596,443	\$ 495,833,333	\$ 1,927,762,200
Month 12	\$ 131,945,958	\$ 469,162,448	\$ 312,774,965	\$ 547,356,189	\$ 156,387,483	\$ 78,193,741	\$ 425,000,000	\$ 1,988,874,825
Month 13	\$ 133,857,333	\$ 509,319,648	\$ 339,546,432	\$ 594,206,255	\$ 169,773,216	\$ 84,886,608	\$ 354,166,667	\$ 2,051,898,825
Month 14	\$ 136,040,133	\$ 550,131,688	\$ 366,754,458	\$ 641,820,302	\$ 183,377,229	\$ 91,688,615	\$ 283,333,333	\$ 2,117,105,625
Month 15	\$ 136,040,133	\$ 590,943,728	\$ 393,962,485	\$ 689,434,349	\$ 196,981,243	\$ 98,490,621	\$ 212,500,000	\$ 2,182,312,425
Month 16	\$ 133,857,333	\$ 631,100,928	\$ 420,733,952	\$ 736,284,415	\$ 210,366,976	\$ 105,183,488	\$ 141,666,667	\$ 2,245,336,425
Month 17	\$ 136,040,133	\$ 671,912,968	\$ 447,941,978	\$ 783,898,462	\$ 223,970,989	\$ 111,985,495	\$ 70,833,333	\$ 2,310,543,225
Month 18	\$ 133,857,333	\$ 712,070,168	\$ 474,713,445	\$ 830,748,529	\$ 237,356,723	\$ 118,678,361	\$ -	\$ 2,373,567,225

* Monthly deposits into the Legacy Fund are based on forecasts provided by the Office of State Tax Commissioner.

Legacy Fund Strategic Asset Allocation Transition



	t=0	Mo. 1	Mo. 2	Mo. 3	Mo. 4	Mo. 5	Mo. 6	Mo. 7	Mo. 8	Mo. 9	Mo. 10	Mo. 11	Mo. 12	Mo. 13	Mo. 14	Mo. 15	Mo. 16	Mo. 17	Mo. 18
Short-Term Fixed	100%	90%	81%	73%	66%	59%	52%	46%	40%	35%	30%	26%	21%	17%	13%	10%	6%	3%	0%
Broad Fixed Income	0%	3%	7%	9%	12%	14%	17%	19%	21%	23%	24%	26%	28%	29%	30%	32%	33%	34%	35%
US Equity	0%	3%	6%	8%	10%	12%	14%	16%	18%	19%	21%	22%	24%	25%	26%	27%	28%	29%	30%
Non-US Equity	0%	2%	4%	5%	7%	8%	10%	11%	12%	13%	14%	15%	16%	17%	17%	18%	19%	19%	20%
Diversified Real Assets	0%	1%	2%	3%	3%	4%	5%	5%	6%	6%	7%	7%	8%	8%	9%	9%	9%	10%	10%
Core Real Estate	0%	0%	1%	1%	2%	2%	2%	3%	3%	3%	3%	4%	4%	4%	4%	5%	5%	5%	5%

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Adams Street Partners Miguel Gonzalo	Pension	Private Equity	various commitments since 1991	The Adams Street Partnership Fund Program ("ASP Fund Program") invests in private equity partnerships and portfolio companies, creating a portfolio diversified by time, manager and subclass. Investment commitments will typically be made over a three- to four-year period in venture capital, buyout and other partnerships, which include mezzanine/subordinated debt, restructuring/distressed debt and special situations. A portion of a participant's subscription to the ASP Fund Program may be used to opportunistically invest in secondary interests in private equity partnerships and/or their portfolio companies. All of the Adams Street Partner funds which North Dakota State Investment Board has invested in are based in U.S. dollars.
AllianceBernstein/ Clifton Liz Smith	Pension	Lg Cap Dom Equity	Jun-09 to Oct-10 capital returned	<p>The AllianceBernstein Term Asset-Backed Securities Loan Facility ("TALF") Opportunities Fund is a bottom-up research driven investment strategy structured to take advantage of the opportunity extended to investors through the TALF. The strategy will primarily draw its research from the AllianceBernstein Special Situations Group, which, among other asset classes, covers secured credit sensitive securities (e.g., ABS), as well as non-credit sensitive prime residential mortgage securities. For credit sensitive securities, credit research is overlaid on structural analyses to develop a complete picture of expected loss content, resiliency of cash flows, risk and return. All holdings are closely followed within our proprietary database which contains a time series of investment credit metrics, repayment rates, cohort, and originator statistics.</p> <p>The TALF Opportunities Fund will invest in a concentrated leveraged portfolio of structured asset securities that are eligible for non-recourse lending from the NY Fed TALF. The Fund's goal is to generate high risk-adjusted returns created by the dislocations in asset-backed and other securitization markets. The Fund will invest in AAA/Aaa-rated asset-backed securities as well as other TALF-eligible securities defined by the NY Fed. The TALF program limits the investment universe to US dollar-denominated securities whose underlying collateral is primarily based in the United States. Owing to the high credit quality of the underlying investments, we expect the majority of the Fund's return to be generated by the income in excess of the TALF loans' fees and interest.</p> <p>The Clifton Group is charged with applying the S&P 500 "beta" exposure for the AllianceBernstein "alpha" exposure. The overall goal of the account is to get the return of the S&P 500 index plus an additional alpha amount provided by the TALF fund.</p>
Babson Capital Management Chad Streaan	Insurance Budget Stabilization Legacy Fund	Short Term Fixed Inc	Sep-11 Dec-11	<p>The investment objective of the Babson Capital's Active Short Duration Strategy is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals driven by client activity. The portfolio seeks to achieve a high total rate of return primarily from current income while minimizing fluctuations in capital values by investing in a well-diversified portfolio of US Government, mortgage-backed, asset backed securities and corporate bonds.</p> <p>The investment team uses proprietary research to conduct value-driven sector rotation and intensive credit and structure analysis, while utilizing a dynamic yield curve management process, to construct effective portfolios. In addition to income, primary goals for the Active Short Duration strategy are stability and liquidity. In meeting these goals, risk is measured by perceived or actual changes in credit worthiness, adequate diversification and exposure to potential changes in interest rates. Babson Capital explicitly manages the portfolio to minimize these risks and endeavors to add value through security selection and portfolio duration structure designed to maximize the risk-return characteristics of the yield curve.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Babson Capital Management Chad Strean	Insurance Budget Stabilization	Short Term Fixed Inc	Sep-11	Babson was hired to manage the Bank Loans in the former Prudential account. Their direction is to manage and supervise the deliberate liquidation, over time of these holdings. As securities mature or are sold off the proceeds will be transferred to the Active Short Duration Strategy.
Bank of North Dakota Tim Porter	Pension Insurance	Dom Inv Grade FI Fixed Income	Apr-91 to Apr-12 changed mandate to long treasury Dec-93 to April-13 Terminated	The Bank of North Dakota (BND) manages this fixed income portfolio for the State Investment Board with a passive management style designed to replicate the Barclay's Government/Corporate Bond Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). The portfolio is rebalanced monthly in order to achieve an annualized time-weighted rate of return that matches the Barclay's Gov/Corp Bond Index with a tracking error not more than (+ or -) 30 basis points.
Bank of North Dakota Tim Porter	Pension	Dom Inv Grade FI	Apr-12 to Apr-13 Terminated	The Bank of North Dakota (BND) manages this fixed income portfolio for the State Investment Board with a passive management style designed to replicate the Barclay's Long Treasury Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). The portfolio is rebalanced monthly in order to achieve an annualized time-weighted rate of return that matches the Barclay's Gov/Corp Bond Index with a tracking error not more than (+ or -) 30 basis points.
Blackfriars Asset Management (WestAM) Hugh Hunter	Pension	Emerging Markets Equity	Mar-06 to Jun-12 Terminated	<p>Blackfriars Asset Management Limited has been appointed by North Dakota State Investment Board to manage a Global Emerging Market Equity portfolio. The fund is invested in the WestAM Group Trust.</p> <p>Blackfriars strategy is that of a core, active manager with the objective of outperforming the MSCI Emerging Markets index by 2% over rolling three year periods. Our investment approach is team-based and focuses on capturing alpha from our top-down and bottom-up decisions. Our country allocation process is primarily driven by a factor model encompassing fundamental market and economic factors, whilst stock selection is driven by fundamental research by our internal team of analysts.</p> <p>Blackfriars Asset Management, at the time of appointment, was called WestLB Asset Management which was owned by WestLB AG, a German bank. Following the creation of a 50:50 joint venture with BNY Mellon in 2006, the company became fully owned by BNY Mellon on 31 December 2008 and changed its name to Blackfriars Asset Management Limited. The investment process and investment personnel involved in the management of the portfolio have not changed as a result of the change in ownership.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>Brandywine Asset Management</p> <p>Nedra Hadley</p>	<p>Pension</p>	<p>Int'l Fixed Income</p>	<p>May-03</p>	<p>Brandywine's Global Fixed Income investment style is a disciplined, active, value-driven, strategic approach. Their investment strategy concentrates on top-down analysis of macro-economic conditions in order to determine where the most attractive valuations exist. Specifically, they invest in bonds with the highest real yields globally. They manage currency to protect principal and increase returns, patiently rotate among countries and attempt to control risk by purchasing undervalued securities.</p> <p>They believe their approach is ideally suited to the asset class, as each country, and sector exhibit unique valuation parameters. They believe that a client's portfolio should be invested in markets with, what they believe, demonstrate above-average value. Value is defined as a combination of above-average real interest rates and an under-valued currency. They typically concentrate investments where existing economic and market conditions may enable that value to be realized in an intermediate time frame. Their research has identified global fixed income as an opportunity class wherein active strategies have the most potential for reward and passive, index-replicating strategies are fundamentally insufficient and add an unnecessary level of risk to the portfolio management process. Country-by-country return dispersion (and, therefore, opportunity) across developed country bond markets is remarkable, and if capitalized upon as part of an actively managed process, can potentially provide significant excess return (alpha) above the benchmark. They seek to capture those excess returns through strategic investment in countries, currencies, sectors and securities, rather than by maintaining minimum, core commitments, reflective of the benchmark.</p>
<p>Brookfield Investment Management (Hyperion)</p> <p>Richard Torykian</p>	<p>Insurance</p>	<p>Fixed Income</p>	<p>Jan-07 to Mar-10 Terminated (acct taken over by Declaration)</p>	<p>The Enhanced MBS investment process begins with a macro-economic assessment of the market. Included in the macro-economic assessment is the analysis of: the interest rate environment, the phase of the real estate cycle, consumer credit trends, recently released or pending economic data, supply and demand relationships, housing prices, and the Mortgage Refinancing Index. The analysis and review that occurs at this stage provides the groundwork for establishing the asset allocation for our Enhanced MBS Investment Strategy. We then conduct a detailed review of the MBS sub-sectors. We evaluate developments in each sector; current offerings; recent transactions and market clearing levels; security types and yield spread levels to formulate a relative value outlook. Our research analysts provide fundamental analysis on prepayment speeds, borrower credit exposure, geographic diversification, refinancing trends, and the correlation of returns. We then further analyze the risks of the various MBS sectors—specifically, the outlook for delinquencies, housing affordability, consumer debt, collateral value appreciation, and loss severities. These factors build a larger picture for the appropriate asset allocation for this strategy. The asset mix for our Enhanced MBS Investment Strategy is a ratio that may change over time, as opportunities in the sectors and sub-sectors are identified. Once the initial allocation mix has been determined, the investment process moves to the security selection phase.</p> <p>The most important component of our Enhanced MBS Investment Strategy is security selection. In short, while the market for non-Agency MBS may seem generic, the credit performance from one issue to another varies. Our security selection process results from both quantitative and qualitative inputs, as well as the substantial experience of the portfolio managers. Members of the investment team, utilizing Hyperion Brookfield's proprietary analytics, determine the relative strengths of various securities based on applicable criteria such as issuer, issue, vintage, credit rating, structure, and geographic exposure.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Calamos Investments Meredith French	Pension	Dom Inv Grade FI	Oct-06 to Mar-12 Mandate changed to Global Opportunities	Calamos Advisors LLC manages a convertible mandate for the North Dakota State Investment Board through the Calamos Convertible Plus strategy. The primary objective of the strategy is to achieve high long-term total return through growth and income. The strategy is focused on primarily investing in convertible securities but in addition utilizes both equities and fixed income. This enhanced flexibility allows Calamos to better manage the overall risk/reward profile of a convertible mandate. To take advantage of international opportunities, the portfolio will utilize the Calamos International Convertible Group Trust, a commingled fund in which we purchase units on behalf of the North Dakota State Investment Board. This commingled fund is generally hedged between 70-100% from a currency perspective.
Calamos Investments Meredith French	Pension	Global Equity	Mar-12	<p>The Global Opportunities objective is high long-term total return through capital appreciation and current income. The Trust invests primarily in a global portfolio of equity, convertible and fixed-income securities. In pursuing the Trust's investment objective, the Investment Manager attempts to utilize these different types of securities to strike, in its opinion, the appropriate balance between risk and reward in terms of growth and income.</p> <p>The Investment Manager attempts to keep a consistent balance between risk and reward over the course of different market cycles, through various combinations of stock, bonds and/or convertible securities, to achieve what the Investment Manager believes to be an appropriate blend for the then-current market. As the market environment changes, portfolio securities may change in an attempt to achieve a relatively consistent risk level over time. At some points in a market cycle, one type of security may make up a substantial portion of the portfolio, while at other times certain securities may have minimal or no representation, depending on market conditions.</p>
Callan Associates Greg Allen	Pension	Small Cap Dom Equity	May-06	<p>The investment strategy for the Diversified Alpha Small Cap Equity Fund ("Fund") is based on two empirical studies. The first observed that the average portfolio for a comprehensive universe of active institutional small cap products out-performed the Russell 2000 Index in every three-year period since 1984, resulting cumulative out-performance in excess of five percent per year over the 20-year period with a tracking error of five percent annualized. The consistency and magnitude of this out-performance led to Callan's use of the average institutional small cap portfolio as the target in the Fund's portfolio construction methodology rather than one of the standard small cap indices. The second study observed that the illiquidity of the small cap market presents significant structural challenges to managers as they grow in assets under management ("AUM"). These challenges resulted in smaller products (in terms of AUM) out-performing their larger counterparts by in excess of three percent per year over the observed 20-year period. The consistency and magnitude of this out-performance provided the basis for favoring smaller, less capacity-constrained products in the Fund's manager selection methodology.</p> <p>The Fund's strategy is implemented through the use of a stratified sampling technique, and it begins with the decomposition of Callan's Total Institutional Small Cap ("TISC") universe (consisting of over 700 products) into 10 distinct sub-styles, with approximately 70-75 products in each sub-style. After extensive screening, four products from each sub-style are selected which, when held in combination, are expected to closely track the performance of each sub-style as a whole. This process results in a total portfolio made up of 40 equity sub-advisors, equally weighted in the Fund's portfolio, which very closely tracks the performance of the average actively managed institutional small cap product (historical tracking error since inception of approximately one percent annualized).</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Capital Guardian Michael Bowman	Pension Insurance	Developed Int'l Equity Int'l Equity	Mar-92 Apr-97	The Portfolio will invest primarily in equity or equity type securities of companies in developed countries excluding the U.S. These equity securities will be listed on a stock exchange or traded in another recognized market and include, but are not limited to, common and preferred stocks, securities convertible or exchangeable into common or preferred stock, warrants, rights and depository arrangements. The Portfolio may invest in fixed-income securities (including cash or cash equivalents) when market conditions warrant. The Portfolio's investments may be denominated in U.S. dollars or in non-U.S. currencies. The Portfolio may include securities eligible for resale pursuant to Rule 144A and securities in offerings that are not registered for sale in the U.S. but are listed or quoted in the securities' local markets. Instruments acquired as a result of corporate actions are permitted.
Capital Int'l V & VI Jim McGuigan	Pension	Private Equity	Aug-07	Capital International Private Equity Fund (CIPEF) has a geographic focus in global emerging markets. CIPEF's investment focus, by stage, primarily includes buy-outs, expansion capital, and replacement capital.
Clifton Group Ben Lazarus	Pension	Asset Alloc Overlay - Lg Cap, Small Cap, Int'l Equity and Dom FI	Nov-08 to Jul-10 Overlay program discontinued	By utilizing exchange traded futures contracts, Clifton synthetically maintains North Dakota State Investment Board's (NDSIB) desired exposure to a variety of asset classes. This synthetic exposure is most often utilized between monthly cash rebalancing moves. Clifton works with NDSIB Staff intermonth and at month end to make sure the economic exposure is between prescribed bands. Futures are purchased or sold to change the portfolio's effective asset class exposure without liquidating or purchasing securities in the cash market. Subsequent asset class exposure is adjusted by modifying the futures positions while the underlying portfolio remains unaffected. Using exchange traded futures contracts as opposed to physical securities provides NDSIB with: <ul style="list-style-type: none"> • More flexibility and efficiency in moving between asset classes • Lower cost for establishing and removing positions • Detailed accounting on the performance of the rebalance move
Clifton Group Ben Lazarus	Pension Insurance	Dom Small Cap Equity Dom Lg Cap Equity Dom Small Cap Equity Dom Lg Cap Equity	Nov-09 Apr-11 Nov-09 Nov-09	The Clifton Group believes that the U.S. equity universe is highly efficient. As such, we utilize a method of constructing the portfolio that we believe provides us with the greatest likelihood of outperforming the index. Specifically equity futures are used to gain the benchmark exposure. The underlying cash portfolio is then invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance. Each Enhanced Equity portfolio is carefully constructed and managed within strict quality and diversification guidelines. The Portfolio Management Team oversees all aspects of the construction and management process. Individual Portfolio Managers oversee different parts of the portfolio, but all are required to stay within pre-determined guidelines as provided by NDSIB. The account is monitored daily to verify that performance is maintained within expectation bands. Furthermore, accounts are reconciled monthly and audited semi-annually to confirm compliance with all existing guidelines.
Clifton Group Ben Lazarus	Pension	Developed Int'l Equity	Mar-10	This portfolio replicates the MSCI EAFE index utilizing futures contracts.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Coral Partners Momentum Fund Yuval Almog	Pension	Private Equity	Jul-02	<p>Coral's Momentum Fund focuses on opportunities in high growth markets undergoing imminent transitions driven by emerging technologies, new business modalities and customer preferences. Examples include: a) the transition to rich digital media as a mass market opportunity; b) the ascendance of ubiquitous telecommunications networks, allowing universal access to voice, data and rich content; and c) the transition to the delivery of software-driven applications as a service, creating new software based franchises with recurring revenue models.</p> <p>Coral's Momentum Fund invests in late stage, technology driven companies the General Partner believes has substantial intrinsic momentum. Companies with intrinsic momentum have early demand related indicators such as accelerating revenues, channel build-up, growing product utilization, and expanding customer bases. The General Partner believes that investing in companies at this stage of development mitigates product and technology risk as well as market acceptance risk.</p>
Coral Partners Fund V Yuval Almog	Pension	Private Equity	Mar-98 to Dec-12 Capital Returned	<p>Coral Partners V focuses its investments in the healthcare and technology sectors with companies in all stages of growth from seed to expansion. The General Partners believe that achieving strong venture capital returns depends on the ability to create enterprises capable of attaining a defensible market leadership position, often by developing new technologies which result in either a new market or the restructuring of an existing market; and that the most effective way of accomplishing this objective is to exploit industry trends and focus on businesses which are execution intensive and operate on a worldwide scale. Important components of this strategy are: active involvement, industry focus, and portfolio management.</p>
Coral Partners Supplemental Fund V Yuval Almog	Pension	Private Equity	Aug-01 to Dec-12 Capital Returned	<p>Coral Technology Supplemental Fund V invests in technology portfolio companies of Coral Partners V.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>Corsair (Fund III, IV & ND Investors)</p> <p>Michael Poe Cliff Brokaw</p>	<p>Pension</p>	<p>Private Equity</p>	<p>Feb-07</p>	<p>Corsair seeks to earn strong risk-adjusted returns by leveraging the investment team's knowledge and contacts to identify and execute attractive investments in companies in the financial services industry around the world. Corsair takes control and minority positions, either individually or as a lead member of an investor consortium. Target investments include both privately-held and public companies, generally via private transactions when the target company loses access to, or has difficulty accessing, the public capital markets. In certain circumstances, the Fund may acquire pools of financial assets or securities, or provide financing to a secured pool of assets.</p> <p>Corsair endeavors to develop a strong relationship and high degree of influence with investee company senior executives and key shareholders. In many instances, Corsair obtains Board representation, observer seats, or other types of management rights. Given the complexities of investing in a regulated industry, Corsair's ability to receive more traditional generalist buyout governance rights is often limited, and its ability to influence managerial decisions requires a degree of experience which Corsair believes can only be achieved through a long and consistent history of investing in the financial services sector. Corsair expects the Fund to make 10 to 15 investments over its investment period, although there can be no assurances with respect to the number of investments that will be made. Corsair anticipates holding its investments for between three and six years. In those instances where Corsair is part of an investor consortium, Corsair generally endeavors to act as a lead or co-lead investor, as was the case in all Corsair III investments. On select occasions Corsair expects to co-invest with strategic partners that are capable of bringing added value to an investment and where the Fund's exit considerations can be addressed. Above all, Corsair's value-driven investment style focuses on those investment opportunities in which the Investment Advisor believes that a positive discrepancy exists between an asset's price and its intrinsic value.</p>
<p>Credit Suisse</p> <p>Erick Volp</p>	<p>Pension</p> <p>Insurance</p>	<p>Infrastructure</p> <p>Inflation Protected</p>	<p>Dec-11</p> <p>Dec-11</p>	<p>Established on October 21, 2009, the Customized Infrastructure Strategies LP is a commingled fund focused on providing a comprehensive, diversified solution for investors looking to access the infrastructure asset class. The Fund seeks to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified portfolio of primary core and core plus infrastructure funds (30%), co-investments (40%) and opportunistic secondary fund purchases (30%).</p>
<p>DFA - Dimensional Fund Advisors</p> <p>Joe Young</p>	<p>Pension</p> <p>Insurance</p>	<p>Developed Int'l Equity</p> <p>Int'l Equity</p>	<p>Nov-07</p> <p>Nov-07</p>	<p>The International Small Cap Value Portfolio invests in the stocks of small, non-US developed markets companies that Dimensional believes to be value stocks at the time of purchase. Size is defined as the smallest 8-10% of each country's market capitalization. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). This BtM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price-to-earnings ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time. The Portfolio currently invests in companies in Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. It does not invest in emerging markets.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
DFA - Dimensional Fund Advisors Joe Young	Pension	Emerging Markets Equity	Oct-05	The Emerging Markets Small Cap Portfolio invests in small cap emerging markets companies. Presently, this means investment in companies whose market capitalization is less than \$2.3 billion at the time of purchase. Dimensional will consider, among other things, information disseminated by the International Finance Corporation in determining and approving emerging market countries. The Portfolio currently invests in companies in Brazil, Chile, China, Hungary, India, Indonesia, Israel, Malaysia, Mexico, the Philippines, Poland, South Africa, South Korea, Taiwan, Thailand, and Turkey. Due to repatriation restrictions, the Portfolio currently holds but does not purchase securities in Argentina.
DMR (Declaration Mgmt & Research) Mortgage Opportunity Fund John Pluta	Pension	Below Inv Grade FI	May-08 to Dec-09 (fund matured/ capital returned)	The Fund's investment strategy is to acquire stressed and distressed mortgage backed securities, primarily non-Agency Residential Mortgage Backed Securities ("RMBS"). The return objective of the Fund is to achieve a net IRR in the 12%-20% range within a target five year horizon from the acquisition of such securities. The goal is to extract a significant liquidity premium (apart from the compensation available for assuming credit risk) using bottom-up security analysis during a period when legacy holders of mortgage backed securities are in need of liquidity. Once fully invested, the Fund will be a long-biased investment in distressed securities within various sub-sectors of mortgage credit. The focus of the Fund is senior class RMBS backed by prime, Alt-A and subprime collateral. Higher allocations are expected to be in prime and Alt-A transactions. Security-specific risk will be analyzed at the loan level. The risk analysis links borrower attributes (loan-to-value, credit score, documentation status, age of loan, size of loan, etc.) to the borrower's default and prepayment propensities. Similar borrower attributes are examined to estimate recovery rates post default. Risk management at the security level also involves an examination of issue structure, waterfall priorities and other structural features which trap or divert cash flow, particularly as it relates to our target asset. It is anticipated that the Fund's returns will be earned primarily through cash yield on bonds it acquires at discounted prices and through repayment of principal, or partial principal from recoveries on defaulted mortgages, over the holding period of each asset in the Fund.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>DMR (Declaration Mgmt & Research) TALF and ABS Fund/Clifton</p> <p>John Pluta</p>	<p>Pension</p>	<p>Lg Cap Dom Equity</p>	<p>Aug-09 to Dec-11 Fund matured/capital returned</p>	<p>The investment objective of the DMR TALF and ABS Fund is to achieve attractive risk-adjusted returns in the low to mid-teens by investing opportunistically in senior classes of Consumer ABS and CMBS. The returns are expected to be achieved primarily through cash flow yield from assets acquired and financed using non recourse TALF leverage. The Fund term is expected to be relatively short with distributions beginning in July 2010 and most bonds naturally amortizing and maturing within 2-4 years from our purchase date.</p> <p>From a tactical standpoint, we believe the risk/return characteristics of short tenor ABS and CMBS compare favorably to other debt sectors. For TALF eligible assets, the low cost, non-recourse borrowing facility is an attractive feature which corporate credit, levered loans and high yield cannot access.</p> <p>The Fund's primary focus by sub-sector is on TALF-eligible legacy AAA senior CMBS. These assets are trading near par and tend to have a solid credit profile. The strategy does not involve stressed or "credit intensive" securities. Rather, we seek to execute risk efficient trades by employing non-recourse TALF leverage on lower volatility "par based" assets with high confidence in the receipt of coupon cash flow and full repayment of principal. TALF leverage is likely to range at 5x-15x capital depending upon the asset. In general, we expect to hold investments to their respective maturity dates, although we have the flexibility to sell holdings if spreads tighten. In acquiring assets, we employ a bottom-up analysis and model the structural characteristics of each transaction. DMR has a value orientation in security selection, seeking a margin of safety or cushion between base case performance expectations and extreme loss outcomes.</p> <p>The Clifton Group is charged with applying the S&P 500 "beta" exposure for the Declaration "alpha" exposure. The overall goal of the account is to get the return of the S&P 500 index plus an additional alpha amount provided by the TALF fund.</p>
<p>DMR (Declaration Total Return Bond Fund)</p> <p>John Pluta</p>	<p>Pension</p>	<p>Dom Inv Grade FI</p>	<p>Apr-12</p>	<p>The Fund invests primarily in residential (RMBS) and commercial (CMBS) mortgage-backed securities.</p> <p>The Fund's portfolio holdings consist primarily of RMBS issued by private sector companies (Non-Agency RMBS) and government agencies (Agency MBS) and CMBS issued by private sector companies. Agency MBS includes securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). Portfolio holdings may range from short tenor senior classes to stressed issues or subordinated securities with substantial risk of non-payment and correspondingly higher yields. Smaller portfolio allocations may include consumer asset-backed securities (ABS), or other structured credit securities and corporate bonds. As a diversification strategy and a potential hedge to credit risk, the Fund may invest in securities which tend to benefit from slow mortgage prepayments and economic growth, such as interest only (IO) MBS. Other Fund investments may include US government securities (US Treasuries), unsecured debt securities issued by US government agencies and entities (Agency Debt) and derivatives related to any of the above.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
DMR (Declaration Mgmt & Research) - formerly Hyperion Brookfield mortgage portfolio John Pluta	Insurance	Fixed Income	Feb-10	<p>In this mandate, DMR will assume management of mortgage assets originally acquired by Brookfield (Hyperion) over the period 2006-2009. DMR will provide a fresh perspective on the holdings, some of which are credit impaired. The portfolio management services will include loan-level analysis on individual securities and portfolio level risk management of liquidity and volatility.</p> <p>DMR will seek to optimize the risk-return profile of the portfolio. The performance target of the portfolio is a gross total return of 1.25% above the return of the Benchmark over a full market cycle. The Benchmark is the Securitized Portion of Barclays U.S. Aggregate Index (ID #5582).</p> <p>In analyzing portfolio holdings, DMR may produce loss-adjusted cash flow projections on various bonds and/or stress test individual assets to identify break points (principal loss). DMR will evaluate the effect, if any, of government policy such as loan modification on portfolio holdings.</p>
ECM - European Credit Mgmt John (Rusty) Reese	Pension	Lg Cap Dom Equity	Nov-07 to May-11 Terminated	The investment consists of variable rate notes issued by European Credit (Luxembourg), S.A., and managed by European Credit Management Ltd. The notes represent undivided interests in the issuer, a predominately investment grade European credit commingled fund currently rated BBB by Fitch Ratings, and are akin to fund subscriptions. The return on the investment is a combination of the beta of the S&P 500, achieved by means of a total return swap, and the excess return over EURIBOR, net of swap costs (if any), generated by the performance of EC(L). Returns of the investment are substantially hedged back to U.S. dollars.
Epoch Investment Partners Thomas Pernice	Pension	Lg Cap Dom Equity	Jul-07 to Dec-11 Mandate changed to Global Choice	Epoch's Global Absolute Return strategy seeks to produce superior risk-adjusted returns by building portfolios of businesses with outstanding risk/reward profiles without assuming a high degree of capital risk. We adopt a globally minded approach, seeking to capture the benefits of borderless investing and globalization. The businesses in which we invest effectively reflects the high conviction ideas of the entire range of U.S. and Non-U.S. strategies offered by the firm to be included in this concentrated portfolio We manage portfolio risk exposure through quantitative and qualitative asset allocation inputs to reduce the likelihood of loss of capital. Our goal is to produce a portfolio of 20 – 30 positions that exhibits low volatility, strong risk-adjusted returns and real absolute returns. Global Absolute Return will use cash to mitigate downside capture.
Epoch Investment Partners Thomas Pernice	Pension	Global Equity	Jan-12	<p>The Epoch Global Choice strategy seeks to produce superior risk adjusted returns by building portfolios of businesses with outstanding risk/reward profiles.</p> <p>The concentrated active, global equity portfolio typically consists of approximately 20-35 securities (generally equities) representing the firm's highest conviction names. The expected annual turnover is generally between 90-130%. The equity portion of the portfolio will invest no more than 10% of the portfolio, at the time of purchase, in any one equity security.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Goldman Sachs (2006 Fund, Fund V) Stephanie Ivy	Pension	Below Inv Grade FI	Apr-06	<p>The GS Mezzanine Partners family of funds is the largest mezzanine fund family in the world, with over \$20 billion invested in 100+ companies since 1996. In 2007, Goldman Sachs established its fifth mezzanine fund, GS Mezzanine Partners V, with \$13 billion of leveraged capital.</p> <p>GS Mezzanine Partners seeks large-sized mezzanine investments comprised generally of fixed income securities and an associated equity component. Our focus is on providing "private high yield" capital for mid- to large-sized leveraged and management buyout transactions, recapitalizations, financings, re-financings, acquisitions and restructurings for private equity firms, private family companies and corporate issuers.</p> <p>We target high-quality companies with \$500 million to \$10+ billion of enterprise value; leading market positions; high barriers to entry; well-regarded management teams; and stable, cash generative businesses.</p>
Hearthstone (MSII, MSIII) Mark Porath	Pension	Private Equity	Oct-99	<p>In the Hearthstone-MSII Homebuilding Investors (MS2) and Hearthstone Multi-State Value-Added Fund III ("MS3") funds, Hearthstone, on behalf of the Fund, is authorized to invest exclusively in residential development projects. Residential development projects include residential land development and single-family homebuilding, including the acquisition and conversion of rental properties into condominiums and other forms of single-family housing. MS3 was authorized to invest in the construction and sale of apartment buildings, but no such investments were made. Land development projects typically involve the acquisition, entitlement and development of anywhere from 100 to 1,000 finished residential lots for sale to merchant builders, but may involve the acquisition, permitting and development of other residential land. Single-family homebuilding projects generally involve the construction and sale of approximately 25 to 500 single-family attached or detached homes.</p>
Invesco Asia Fund I Paul Michaels	Pension	Real Estate	Nov-08	<p>This investment strategy will focus on value added investments with an initial focus on China and Japan, with a secondary focus on Singapore and Hong Kong, in residential, industrial, retail and office properties. Where IRE identifies best value, it will execute the following value added strategies for the Fund:</p> <ul style="list-style-type: none"> -Provide equity for the development of new real estate product that generates high cash returns and demonstrates mid-term growth opportunities. -Reposition assets or change the use of an asset to maximize its value by identifying highest/best use, curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. -Participating in high growth markets -Adopting higher leverage strategies and exploiting market inefficiencies.
Invesco Core USA LLC Paul Michaels	Pension Insurance	Real Estate	8/1/1997 10/1/2012	<p>The Fund invests in properties located in the United States, typically requiring an investment of \$10 million or greater. The Fund focuses on quality core real estate opportunities and, in addition, the Fund may invest up to 15% of its assets in "value-added" type real estate investment opportunities. The Fund seeks to provide Investors with returns equal to or greater than the NPI on a 3- and 5-year rolling basis.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Invesco IREF II Invesco IREF III Paul Michaels	Pension Pension	Real Estate	Nov-07 May-12	<p>The Fund will invest in value-added real estate opportunities. Investments will be made solely in the United States in four specific product types- multifamily, industrial, retail and office properties. Where IRE identifies best values, it will execute the following strategies for the Fund:</p> <ul style="list-style-type: none"> • Re-capitalization: Invest in properties or portfolios at a favorable basis by acquiring an equity interest and/or debt. • Lease-up: Acquire properties with vacant space or near-term lease rollover exposure, with the opportunity to reposition rent roll and tenancy. • High Yield Debt: Acquire unrated pieces of CMBS debt • Renovation/Retenanting/Repositioning: Reposition assets (an example would be to upgrade an asset from Class B to Class A) or change the use of an asset to maximize its value by curing deferred maintenance, improving overall asset quality and developing additional revenue-generating amenities. • Development: Provide equity commitments/investments for the development of new real estate products that allows for access to new, state-of-the-art products at wholesale pricing.
InvestAmerica Lewis & Clark L&C II John Cosgriff David Schroder	Pension	Private Equity	Feb-02 Jun-09	<p>The investment strategy for Lewis and Clark Private Equities, LP and L&C Private Equities II, LP (the Funds) is to assemble a portfolio of investments in private growth and later-stage companies that have a strong probability of providing high returns without undue volatility and risk to investors. The Funds target for investment middle market growth and later stage companies throughout the United States with existing sales from \$5,000,000 to \$100,000,000. Typically, these small to medium sized companies are seeking to raise \$1,000,000 to \$10,000,000. The Principals of the Funds have demonstrated through the successful investment of previous venture funds, that this market niche has historically delivered high returns with more limited competition for financing. The Funds seek to achieve a minimum of a 25% and in many cases in excess of a 30% internal rate of return on each of its company investments.</p> <p>The Funds diversify their investments by investing in portfolio companies across many industries and geographic locations. Investments will be made across a range of manufacturing, service, distribution and technology companies. Most investments are expected to be in later stage companies with established sales and profitability. Some investments may be opportunistically made in growth stage companies. The investment team has historically invested throughout the United States with offices strategically located in the Midwest and Northwest.</p>
JP Morgan Short Term Bond Fund Jim Sakelaris	Insurance Budget Stabilization Legacy Fund	Short Term Fixed Inc	Sep-11 Dec-11	<p>The investment objective of the Short Term Bond Fund is to outperform (based on the portfolio's total return, gross of fees) the Barclays Capital 1-3 Year Government/Credit Index (the benchmark) while maintaining total return risk similar to that of the Benchmark as measured over a market cycle.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
JP Morgan Alternative Property Fund Jim Sakelaris	Pension	Real Estate	Jan-06	<p>The JPMorgan Alternative Property Fund seeks current income and capital appreciation from a portfolio of investments consisting of alternative real estate (senior housing, medical office, hotels, single-family subdivision development, condos, storage, parking and other “non-core” cash-flow-generating property investments) and real estate-related assets in the U.S., as well as traditional and alternative real estate and real estate-related assets in Canada, Mexico and the Caribbean. The Fund pursues a broadly diversified absolute-return strategy targeting a 12-15% total annualized IRR (including a current income return of 5-7% and the balance from capital appreciation) gross of all Fund-level fees and expenses, assuming at least a 5-year holding period.</p> <p>The Fund is designed to benefit from less competitive flow of capital relative to core property. As an infinite-life structure, the Fund offers potential investors the opportunity for periodic liquidity at net asset values established on a quarterly basis. The Fund will also periodically rebalance sector, product and geographic diversification to dampen volatility and create a stable alternative real estate investment portfolio with a conservative level of leverage (60% on a portfolio basis).</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
JP Morgan Asian Infrastructure & Related Resources Opportunity Fund Jim Sakelaris	Pension	Infrastructure	Aug-08	<p>The JPMorgan Asian Infrastructure & Related Resources Opportunity ("AIRRO") Fund seeks to invest in infrastructure and related resources opportunities across the greater Asia Pacific region. The Fund seeks to invest in a broad range of assets, including (but not exhaustive): core infrastructure such as transportation, power both from conventional and renewable sources, communications, water and waste-water, public works, urban development and other "social" infrastructure assets (i.e. hospitals, schools, government centers) and related resources such as energy, raw materials, natural resources, construction and construction-related materials and real estate (that are part of or associated with any of the installation and operation of infrastructure).</p> <p>The Fund will seek an internal rate of return in excess of 19% (net of Incentive Allocation and Fund Expenses and any Taxation that is payable by the Fund, but exclusive of any Taxation payable by Investors with respect to distributions), assuming a constant exchange rate during the term of the Fund between the USD and the currencies in the countries where the Fund's Investments are located. The Investment Adviser will have the right, but not the obligation, to hedge currency risk at its discretion, however there currently is no intent to engage in active hedging except as follows: (i) in exceptional cases where we believe the underlying risk is excessive and (ii) where there are known future equity commitments subject to currency risk, including with respect to the acquisition of new assets. The Fund team's view of infrastructure, in the Asian context, takes a holistic approach, encompassing not only core infrastructure but also the raw material and construction-related stages of infrastructure and those companies needed "to make infrastructure happen". By focusing on both infrastructure and related resources, the Investment Adviser has developed a strategy which seeks to capitalize on the entire opportunity presented by the large forecasted growth and required investment in Asian infrastructure.</p> <p>The Fund monitors its currency exposure on a regular basis taking account of the outlook for any currencies in which AIRRO is invested. At this time, AIRRO does not anticipate hedging its currency exposure in the near-term. Based on consensus forecasts prepared by Bloomberg, analysts expect Asian currencies to strengthen versus the USD over the medium-term. AIRRO's entry cost (based on average weighted rates) for its investments are 47.68 INR/USD for SevenHills and 7.76 HKD/USD for Scitus (6.93 RMB/USD for Scitus' corresponding investments onshore). We anticipate these positions to strengthen in the favor of AIRRO by exit (estimated to be 2013 for each investment). AIRRO will continue to monitor movements in Asian currencies and review its hedging strategy accordingly.</p>
JP Morgan Emerging Markets Fund Jim Sakelaris	Pension	Emerging Markets Equity	Nov-05	<p>The emphasis of investments in the Emerging Markets Equity Focused Fund is in capital and common stocks, securities convertible into capital and common stocks, and other equity investments, all of which involve foreign companies and enterprises' located primarily in emerging markets. In this context, 'Emerging' refers generally to countries outside of the MSCI EAFE Universe.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>JP Morgan Greater China Property Fund</p> <p>Jim Sakelaris</p>	<p>Pension</p>	<p>Real Estate</p>	<p>Jan-08</p>	<p>The JPMorgan Greater China Property Fund is a closed-end investment fund which seeks to invest in real estate development projects in Greater China (defined to include China, Hong Kong, Macau and Taiwan). Drawing on over 30 years of real estate investing experience and its position as one of the largest real estate investment managers globally, J.P. Morgan Investment Management Inc. seeks to develop and manage a portfolio of capital-appreciation oriented real estate assets in Greater China. The Fund will generally make its investments across the office, residential, industrial, retail and hospitality sectors by creating project-level joint venture arrangements with multiple operating partners in Greater China. In addition to direct real estate investments, the fund may invest in shorter-term, "structured capital" opportunities in the real estate sector (typically 6-18 months in nature). Such investments may involve publicly listed companies and private companies seeking funding for their operations. The fund will limit the structured capital investments to 20% of the fund's total allocation.</p> <p>The Fund seeks to capitalize on the rapid and sustained economic growth, rising income levels, as well as the recent developments in China that will present opportunities for experienced real estate investment firms like J.P. Morgan to partner with local developers for new investments. The investment objective of the Fund is to seek capital appreciation. Since most of the Fund's investments will be development stage properties, the Fund expects to generate little to no current income. The Fund expects that aggregate secured permanent indebtedness will not exceed, on average over a fiscal year, 75% of the greater of the fair market value or total cost of all of the Fund investments.</p> <p>Investment returns may be hedged on a case by case basis as some investments may be hedged while others may not. Whether to hedge will depend on a number of factors including the currency outlook, the cost/benefit of the hedge, the requirements of lenders, etc. In addition, in cases where debt borrowings are in local currency, there is effectively a built in hedge as well.</p>

North Dakota State Investment Board Managers

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<p>JP Morgan Greater Europe Opportunistic Property Fund</p> <p>Jim Sakelaris</p>	<p>Pension</p>	<p>Real Estate</p>	<p>Sep-09</p>	<p>The JPMorgan Greater Europe Opportunistic Property Fund is a closed-end opportunity fund that offers investors an opportunity to participate in an actively managed portfolio of property investments throughout Europe both in direct assets and select investments in existing property companies. The Fund has the flexibility to invest in a variety of different types of real estate, including, without limitation, office, retail, industrial/warehouse, multi-family, hotel/leisure, parking and self-storage. The Fund aims to provide Investors with a targeted annualized IRR of at least 15% over the life of the fund net of all fees and expenses. The Fund intends to achieve its Target Return by using JPMorgan Asset Management's expertise and market contacts to successfully make use of the following risks: leasing risk; development risk; restructuring risk; liquidity/transparency risk and leverage.</p> <p>J.P. Morgan Asset Management - Global Real Assets believes that opportunities exist in the Target Markets for investors to create value through the development, rehabilitation, repositioning and recapitalization of undervalued real estate and real estate-related assets through the purchase of high quality assets or portfolios of assets from distressed sellers. After a period of rapid capital appreciation and falling risk premium for European real estate assets, partially a result of excess liquidity, the dislocation in capital markets experienced since the end of July 2007 has resulted in a substantial re-pricing of risk, particularly at the higher risk end of the spectrum. More uncertain prospects for occupier markets in some, though not all, countries are likely to continue to impact risk and therefore pricing. In Europe, JPMAM-GRA believes this creates two very distinct but compelling opportunities for the foreseeable future. The first is to capitalize on the opportunity to purchase high quality assets in core Western European markets which will be sold at favorable prices due to the lack of liquidity in the market or where the underlying risk is mispriced. Property owners overleveraged with short duration leverage, developers overexposed to construction and leasing risk, and corporate owners whose balance sheets have come under pressure are all expected to be excellent sources of these buying opportunities.</p> <p>We consider hedging on a deal-by-deal basis when we think it makes sense and is cost-effective. We consult with our foreign exchange desk at J.P. Morgan on a regular basis. At the present time, we believe the British Pound is underpriced relative to the Euro on a long-term historical basis and, therefore, we are currently not hedging the Pound position (at least with respect with the net equity, leverage acts as a natural hedge against 65% of the GAV since the debt on UK transactions is also denominated in Pounds). The Greater Europe Opportunistic Property Fund is Euro-denominated and thus reflects periodic currency movements in addition to property valuation changes.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
JP Morgan Income & Growth Fund Jim Sakelaris	Insurance	Real Estate	Nov-05	<p>J.P. Morgan U.S. Real Estate Income and Growth Fund - The J.P. Morgan U.S. Real Estate Income and Growth Fund seeks to construct and opportunistically manage a portfolio of core direct real estate investments, complemented by other real estate and real estate-related assets. The Fund pursues a broadly diversified absolute-return strategy targeting an 8-10% total annualized IRR (including a current income return of 5-7% per annum and the balance from capital appreciation) net of management fees and expenses, the payment of any Infrastructure Development Fee, if applicable, and the effect of taxes payable by certain of the Fund's Entities.</p> <p>The Fund pursues all property investments on an opportunistic basis. The majority (>50%) of the Fund's investments will be in direct core properties in the office, industrial, retail and residential sectors. In addition to direct real estate, the Fund has the ability to invest in other access points - mezzanine debt, CMBS and REITs - when they provide core real estate cash flows at a better price than owning the property. This helps diversify the portfolio and offer a superior risk reward equation. This dynamic investment approach focuses on relative value and is not constrained by fixed allocation targets or benchmark composition allowing the Investment Advisor the ability to change the Fund's portfolio composition in response to changing market conditions and opportunities.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
JP Morgan Infrastructure Investments Fund	Pension	Infrastructure	May-07	<p>Infrastructure Investments Fund - Launched October 31, 2006, JPMorgan Infrastructure Investments Fund is the only open-ended private commingled infrastructure fund in the U.S. It invests in stabilized assets in OECD countries with selected value-added opportunities, across infrastructure industry sub-sectors, including toll roads, bridges and tunnels; oil and gas pipelines; electricity transmission and distribution facilities; contracted power generation assets; water distribution; waste-water collection and processing; railway lines and rapid rail links; and, seaports and airports.</p>
	Insurance	Inflation Protected	Nov-08	
Jim Sakelaris				<p>Our open-ended strategy supports a long-term investment horizon as we seek to achieve steady returns over time that are largely cash yield with modest capital appreciation. Our open-end format also aids in our acquisition and disposition process as a long-term outlook is attractive to governments, regulators and operating partners.</p> <p>The Fund seeks to achieve a leveraged portfolio target IRR of 10–12%, net of Fund Expenses. Leverage is targeted at 75% at the fund level. Its diverse client base, includes U.S., European, Asian and Canadian government, union and corporate pension plans, insurance companies, and high net worth individuals.</p> <p>The interaction of multiple currencies is viewed by many investors as another form of diversification. With respect to the JPMorgan Infrastructure Investments Fund ('IIF' or the 'Fund'), the Investment Adviser has the right, but not the obligation, to hedge currency risk at its discretion. Due to clients' differing perspectives on currency, and the complexities/costs of hedging an illiquid portfolio, there currently is no intent to engage in active hedging except as follows: (i) in exceptional cases where we believe the underlying risk is excessive and (ii) where there are known future equity commitments subject to currency risk, including with respect to the acquisition of new assets; this is a strategy that we have utilized for several investments in the existing portfolio. Generally speaking, we believe clients are more concerned with active management of infrastructure assets and strategies than with currency hedging. We understand that many clients prefer to hedge their currency exposures on an individual total portfolio basis. Further, many clients are interested in actively managing their currency exposure to generate alpha. J.P. Morgan has the capability to provide currency hedging (as a separate service outside of the Fund) for those clients that are interested in hedging currency risk and for clients wishing to generate additional alpha (whether the risk is associated with the Fund's portfolio or with other client investments).</p> <p>Since we began investing in non-US assets in 2007, we have supplied currency positions to invested clients on a quarterly basis. Of the 65 institutional investors in IIF, we are aware of less than 10 that hedge the currency. Many investors view the currency volatility as short-term noise. While IIF may be long sterling, other holdings in an investor's portfolio may be short sterling. Many investors have taken the view that, in the long run, currencies are a zero sum game reverting to the mean, and they do not want to absorb the hedging costs.</p> <p>If an investor does want to hedge currency risk on their investment in IIF, we welcome the opportunity to arrange meetings with our colleagues that will manage the currency hedge. We have explained the structure and nuances of IIF to our colleagues, and they are prepared to assist any IIF investor. Hedging the currency associated with an illiquid asset is much more complicated than hedging international equities, or other liquid assets. For instance, if international equities appreciate and a currency depreciates, and you receive a margin call for a currency contract, you can liquidate some equities to satisfy the margin call. It is not quite so simple if the asset is a bridge rather than a liquid asset. In the case of IIF or an illiquid asset, there must also be a source of liquidity. This complicates it, but does not preclude hedging.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
<p>JP Morgan Strategic and Special Situations Property Funds</p> <p>Jim Sakelaris</p>	<p>Pension</p>	<p>Real Estate</p>	<p>Oct-90</p>	<p>Strategic Property Fund is an actively managed diversified, core, open-end commingled pension trust fund. It seeks an income-driven rate of return of 100 basis points over the NCREIF Property Index over a full market cycle (three-to-five-year horizon) through asset, geographic and sector selection and active asset management. The Fund invests in high-quality stabilized assets with dominant competitive characteristics in markets with attractive demographics throughout the United States.</p> <p>Following a core strategy, Strategic Property Fund focuses primarily on existing high-quality, well-leased assets in the four major property types: office, industrial, multi-family and retail. Strategic Property Fund focuses on the larger primary economic markets.</p> <p>Each sector is well leased with modest lease expiration exposure of approximately 10% per annum over the next five years. Due to the broad diversification in the Fund's investments, no individual properties or tenancies have the capacity to materially affect the Fund's performance.</p> <p>Special Situation Property Fund is an actively managed, value-added, open-ended commingled trust fund. It seeks an increased total return with a moderate-to-high risk level, as reflected in the potential volatility of both income and property values. Our investment philosophy for Special Situation Property Fund is based on our belief that consistently excellent investment results can be achieved by focusing on value-added investment opportunities while maintaining an optimum leverage ratio. The investment process is designed to continuously add value throughout the acquisition, ownership and disposition of an asset.</p> <p>Following a value-added strategy, Special Situation Property Fund focuses primarily on value-added real estate opportunities in the following major property types: office, industrial, hotel, retail and multi-family. The Fund does not attempt to match the geographic and property type diversification of the benchmark, but does maintain guidelines in order to limit over-or underweighting in regards to the NCREIF's property type and geographic guidelines. Our assets are generally located in major markets across the country (i.e., Washington D.C. and surrounding areas, Los Angeles, San Francisco, Atlanta, Chicago, Denver and Northern New Jersey).</p> <p>The Fund invests in a wide variety of value-added real estate opportunities, including but not limited to, improved properties that have significant appreciation potential through lease up, new development, redevelopment, repositioning and re-merchandising situations. The Fund may also acquire vacant land to be held for future development or appreciation. Development, renovation and property repositioning are important aspects of our value-added strategy.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
LA Capital Enhanced Tom Stevens	Pension	Dom Lg Cap Equity	Aug-00	<p>A large core portfolio benchmarked to the Russell 1000 Index. This we would characterize as more of an enhanced index assignment where the objective is to track the benchmark with lower variability. This mandate is targeting a 1% annual alpha with a risk budget of 3%. The pension portfolio began in July of 2000 and the insurance portfolio was initiated in April of 2004. In October of 2006 we received approval from you to allocate a portion of each of these core accounts into the Large Cap Alpha Fund which we were launching at that time. A small portion of the portfolio has as a result been allocated to that product. The benchmark for this fund is the S&P500 which is very similar to the Russell 1000 Index. The objective here has been to outperform the benchmark by 5% while allowing for a risk budget as high as 7%. The intent here was to add incremental alpha to the assignment given that the information ratio was expected to be higher. The overall objectives have been met since this was initiated.</p> <p>Investment Philosophy All of our applications are driven by our Dynamic Alpha Model which is a quantitative process based upon understanding how specific factors are behaving in the market. We believe that investment results are driven by Investor Preferences which simply put, highlight which factors investors like or dislike at any point in time. We have developed sophisticated attribution tools which allow us to measure how the different factors are performing. While there is a significant amount of persistence, i.e. factors will move in one direction for sometimes an extended period of time, they will change at some point. Investors are not static in the views and one needs to recognize that when preferences shift a different posture related to that factor is warranted.</p> <p>Consequently we are not static and we are dynamic. In turbulent markets it is important to be able to understand how investor preferences change. In the last year there have been dramatic shifts in investor attitudes about risk factors and we feel our ability to perform during this period has been directly related to our ability to adapt.</p>
	Insurance	Dom Lg Cap Equity	Apr-04	
LA Capital Structured (Russell 1000 Growth) Tom Stevens	Pension	Dom Lg Cap Equity	Jun-98	<p>A large growth portfolio benchmarked to the Russell 1000 Growth Index. It is an active assignment meaning that we are targeting a 2% alpha and constraining our risk budget (tracking error) to 4% relative to the benchmark.</p> <p>Investment Philosophy All of our applications are driven by our Dynamic Alpha Model which is a quantitative process based upon understanding how specific factors are behaving in the market. We believe that investment results are driven by Investor Preferences which simply put, highlight which factors investors like or dislike at any point in time. We have developed sophisticated attribution tools which allow us to measure how the different factors are performing. While there is a significant amount of persistence, i.e. factors will move in one direction for sometimes an extended period of time, they will change at some point. Investors are not static in the views and one needs to recognize that when preferences shift a different posture related to that factor is warranted.</p> <p>Consequently we are not static and we are dynamic. In turbulent markets it is important to be able to understand how investor preferences change. In the last year there have been dramatic shifts in investor attitudes about risk factors and we feel our ability to perform during this period has been directly related to our ability to adapt.</p>
	Insurance	Dom Lg Cap Equity	Aug-03	

North Dakota State Investment Board Managers

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Loomis Sayles Stephanie Lord	Pension	Below Inv Grade FI	Apr-04	The High Yield Full Discretion Strategy seeks to exploit the collaborative efforts of our economics group and Sector Teams in conjunction with the fundamental credit analysis from our Fixed Income Research Department. Our economics group and yield curve teams provide a global economic and interest rate framework for identifying sectors that we think are attractive. Our research department, along with the Sector Teams, seeks to identify specific investment opportunities primarily within the global fixed income market. Asset class and sector allocations reflect the macroeconomic view, while security selection based on fundamental and relative value analysis within sectors provides our primary source of excess return. Portfolio guidelines are broad and offer the portfolio management team significant investment flexibility. Experienced portfolio managers collaborate with our in-house credit analysts to identify attractive total rate of return investment opportunities in the global fixed income market. Portfolio managers incorporate the long-term macroeconomic view along with a stringent bottom-up investment evaluation process that drives security selection and resulting sector allocations. Opportunistic investments in non-benchmark sectors including investment grade corporate, emerging market, and non-US dollar debt and convertible bonds help to manage overall portfolio risk and enhance total return potential. The product's portfolio managers are responsible for strategy implementation, portfolio construction, and adherence to guidelines. This rigorous investment process results in portfolios that, we believe, are well diversified and expected to generate superior long-term investment performance when compared to the Barclays Capital High Yield Index.
LSV Int'l Equity James Owens, Jr.	Pension Insurance	Developed Int'l Equity Int'l Equity	Nov-04 to Jan-13 changed mandate to Global Equity Nov-04	The objective of our International Large Cap Value strategy is to outperform the MSCI EAFE Index (50% Hedged) by at least 250 basis points (gross of fees) per annum over an annualized 3-5 year period with a tracking error of approximately 5-6%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 150 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). LSV weights countries at a neutral weight relative to the benchmark country weights. Initial positions must be in stocks with a market capitalization above \$500 million. 50% of the portfolio is US dollar hedged.
LSV Large Cap James Owens, Jr.	Pension Insurance	Dom Lg Cap Equity Dom Lg Cap Equity	Jun-98 to Jan-13 Changed mandate to Global Equity Jun-98	The objective of our Large Cap Value Equity (U.S.) strategy is to outperform the Russell 1000 Value by at least 200 basis points (gross of fees) per annum over a 3-5 year period with a tracking error of approximately 4%. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 100 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across industry groups and fully invested (cash balances are typically less than 1% of the portfolio). Initial positions must be in stocks with a market capitalization above \$500 million.

North Dakota State Investment Board Managers

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LSV Global Equity James Owens, Jr.	Pension	Global Equity	Feb-13	The objective of the Global ACWI strategy is to outperform the unhedged total rate of return, net of dividend withholding taxes of the benchmark by at least 200 basis points (gross of fees) per annum. The process used to select stocks is a quantitative approach developed by our founding partners through years of academic research on a variety of investment and investor behavior topics. The process ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 125 stocks in the most attractive securities possible within our strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio will be broadly diversified across countries and industry groups. Initial positions must be in stocks with a market capitalization above \$400 million.
Matlin Patterson (Fund I, II, III) Mark Patterson	Pension	Private Equity	Jul-02	Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors. Invest globally in the severely discounted securities and obligations of financially distressed companies with the objective of obtaining corporate control. Through the Investment Adviser's active management of the Fund's investments, the Fund is seeking superior risk adjusted returns and is operating globally in a segment of the distressed sector in which it has few significant competitors.
Mellon (Franklin Portfolio Assoc.)	Pension	Lg Cap Dom Equity	Sep-06 to Aug-09 Terminated	To achieve superior long term equity market returns through an investment process consisting of two parts: a) a market neutral equity strategy with approximately equal dollars invested long and short having the objective of neutralizing the overall movements of the market. Furthermore, other systematic sources of risk, including industry/sector and capitalization effects, will be controlled so that the large portion of portfolio returns comes from individual stock selection. b) an equitization strategy using S&P 500 index futures contracts to overlay the performance of the S&P 500 index on the market neutral strategy.
NTGI (Northern Trust Global Investments) Common TIPS Fund Richard Clark Jim Aitcheson	Insurance	Inflation Protected	May-07 to July-10 Terminated	The Corporate Trustee may invest and reinvest in units of common funds maintained by the Corporate Trustee or any affiliate of the Corporate Trustee, including, but not limited to the NTGI-QM Common Daily Treasury Inflation Protected Securities (TIPS) Index Fund-Lending. To meet liquidity needs, the Corporate Trustee may also invest in short term cash investments, including shares of money market portfolios, other common funds, or registered investment companies for which the Corporate Trustee or an affiliate serves as trustee, custodian or investment advisor.

North Dakota State Investment Board Managers

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NTGI (Northern Trust Global Investments) Enhanced S&P 500 Jason Pasquinelli Jim Aitcheson	Pension	Dom Lg Cap Equity	Aug-00	<p>The Investment Manager will use an investment approach primarily based on quantitative investment techniques. The principal source of value added is the stock selection process. Relative attractiveness is assessed using a proprietary multiple factor model. Attractive securities are over weighted relative to the Index while unattractive securities are under weighted, or excluded entirely. The account will invest primarily in a broadly diversified portfolio of equity securities. Equity securities include securities convertible into equity securities (including common stock), warrants, rights and units or shares in trusts, exchange traded funds and investment companies. The account may invest and reinvest in long or short positions in any of the instruments.</p> <p>The Investment Manager may purchase or sell futures and exchange traded and over-the-counter options on the Index or on a similarly broad index. The Investment Manager intends to use futures and options to manage market risk associated with the account's investments by selling futures on a stock index which correlates in price movement with a portion of the account to hedge against a potential decline in the prices of the securities comprising that portion of the account and, conversely, by purchasing futures on a stock index which correlates in price movement to a group of stocks which the account anticipates purchasing, to hedge against an increase in the value of such stocks. A portion of the cash in the account may be deposited with a broker as margin on futures or options transactions, to be invested on behalf of the account in obligations issued or guaranteed by the US Government or other appropriate short-term investments.</p> <p>To meet liquidity needs, the Investment Manager may also invest in short term cash investments, including shares of money market portfolios, which may be registered investment companies for which the Investment Manager or an affiliate serves as custodian or investment advisor.</p>
NTGI (Northern Trust Collective Emerging Markets Index Fund) Jim Aitcheson Jason Pasquinelli	Pension	Emerging Markets Equity	Jul-12	<p>The Northern Trust Collective Emerging Markets Index Fund will be invested primarily in equity securities of business enterprises organized and domiciled outside the US or for which the principal trading market is outside the US.</p> <p>In the Fund, and where applicable with respect to the Fund, the Trustee will employ statistical methods to select securities which comprise or will comprise the Index without necessarily buying all the relevant Index equities. Such securities will be selected, acquired, held and liquidated solely on the basis of such methods and not on the basis of any economic, financial, market timing, or other analysis.</p> <p>Securities purchased for the Fund will generally, but not necessarily be traded on a foreign securities exchange. The Trustee may, in its discretion, purchase or sell depository receipts.</p> <p>The Fund will be rebalanced from time to time in order to minimize the expected or predicted deviation between the performance of the Fund and the performance of the relevant Index or to reflect changes in the composition of the Index.</p>

North Dakota State Investment Board Managers

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PanAgora Asset Mgmt Lisa Mahoney	Pension	Emerging Markets Equity	Feb-06	The Emerging Markets Fund seeks to exceed, in the aggregate, the return of the Morgan Stanley Capital International Emerging Markets Index before fees and expenses. The Emerging Markets fund may be invested in: <ul style="list-style-type: none"> • International equity securities including common, preferred and instruments convertible into common or preferred stock for those companies which comprise the Benchmark and the Morgan Stanley Capital International Frontier Markets Equity Index. • American Depository Receipts, Global Depository Receipts, European Depository Receipts • Exchange traded funds based on the underlying securities in the Benchmark • Spot and forward currency exchange contracts • US Treasury bills • Daily Liquidity Fund • The maximum investment in companies which comprise the Morgan Stanley Capital International Frontier Markets Equity Index will not exceed 10% measured at time of purchase.
PIMCO Distressed Mortgage Fund Julie Meggers Todd Staley	Pension	Below Inv Grade FI	Oct-07	The PIMCO Distressed Mortgage Fund is an opportunistic private-equity-style Fund which seeks to capitalize on the historic dislocation in the US and global mortgage markets. The Fund invests in mortgage-related securities and loans where PIMCO believes the long-term value of the investment is highly attractive relative to current market pricing. Within the universe of mortgage-related assets, the Fund will be otherwise unconstrained. The Fund will essentially look to capitalize on forced liquidations of mortgage risk from mark-to-market and ratings sensitive investors at historic high yields.
PIMCO Distressed Senior Credit Opportunities (DiSCO) Fund I Fund II Julie Meggers Todd Staley	Pension Pension Insurance	Dom Inv Grade FI Dom Inv Grade FI Fixed Income	Jul-08 to Oct-11 Transferred to Fund II Oct-11 Oct-11	The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.
PIMCO Unconstrained Bond Fund Julie Meggers Todd Staley	Pension	Dom Inv Grade FI	Mar-12	The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond approach - capital preservation, liquidity, and diversification - but with higher alpha potential and the opportunity to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches.
PIMCO MBS Julie Meggers Todd Staley	Pension	Dom Inv Grade FI	Mar-12	The PIMCO Mortgage-Backed Securities Strategy is an actively managed bond portfolio that invests in high quality, short to intermediate duration mortgage-backed securities. The fund invests primarily in securities that are highly rated, such as US Government guaranteed Ginnie Mae securities and Agency-guaranteed Fannie Mae and Freddie Mac mortgage-backed securities.

North Dakota State Investment Board Managers

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Prudential Core Plus Peter Taggart	Insurance	Fixed Income	Aug-06	The core plus fixed income account is a multi-sector strategy with alpha objective of +150 basis points versus the Barclays Aggregate Index over a full market cycle. The strategy is diversified across a broad range of fixed income sectors, including Treasuries, agencies, mortgage-backed securities, structured product (asset-backed securities, commercial mortgage-backed securities), investment grade corporate bonds, high yield bonds, bank loans and international debt. The primary sources of excess return are sector allocation and security selection, with duration and yield curve less of a focus.
Prudential Privest Peter Taggart	Pension	Dom Inv Grade FI	Jun-05 to Mar-12 Terminated	The Prudential Privest fixed income account is invested primarily in unsecured privately placed debt securities.
Prudential PruAlpha Peter Taggart	Pension Insurance (currently Budget Stabilization only)	Dom Lg Cap Equity Enhanced Cash	Mar-08 to May-12 Redeemed out/Terminated Jul-07 to May-12 Redeemed out/ Terminated	<p>At launch, Pru Alpha was an absolute return strategy investing across multiple sectors of the global fixed income markets. There were significant redemptions from Pru Alpha in the wake of the high market volatility in late 2008. Pru Alpha is currently focused on investing in distressed securities in the fixed income markets.</p> <p>The Pension Trust invested in a feeder fund that allocated a substantial portion of its assets to the Pru Alpha Master Fund and invested substantially all of its remaining assets in a replication strategy based on the S&P 500 Total Return Index. On November 26, 2008, the S&P 500 beta overlay was discontinued. Effective June 1, 2009, the S&P 500 beta overlay was reapplied via a separate account that invests in S&P 500 futures in amounts intended to match the market value of the Pension Trust's Pru Alpha investment.</p> <p>The budget stabilization account is an "enhanced cash" portfolio to augment the other components of North Dakota's budget stabilization assets. This account was originally invested across three components: Dryden Core Short-Term Bond Fund (80%), bank loans (10%), and Pru Alpha (absolute return fund, 10%). Core Short-Term Bond Fund is an "enhanced cash" portfolio that seeks to capture incremental yield from various sectors in the short term portion of the market, with virtually no interest rate risk. Holding assets in the structured product and corporate sectors led to significant underperformance through the credit market downturn from 3Q07-1Q09, but the fund has recovered significantly year-to-date 2009. The bank loan component of the portfolio consists of approximately 20-25 individual bank loans managed by PFIM's high yield/bank loan team. The names held in the account are biased towards the higher quality and more liquid names in the bank loan arena. Pru Alpha is an absolute return strategy and is described with the Pension Trust investment above.</p> <p>On July 28, 2009, \$95mm was added to this account. As a result of discussions with our senior investment team at PFIM and Steve Cochrane, it was decided to invest the new assets in short-term corporate bonds (1-3 years). As of 8/31/09, the account is allocated as follows: Short-term corporates (47%), Dryden Core Short-Term Bond Fund (39%), bank loans (5%), and Pru Alpha (4%) and cash (5).</p>

North Dakota State Investment Board Managers

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Quantum (Energy Partners, Resources) Michael Dalton	Pension	Private Equity	Oct-06	<p>Founded in 1998, Quantum Energy Partners is a leading provider of private equity to the global energy industry. With more than \$5.7 billion in assets under management, Quantum targets investment opportunities between \$100 and \$400 million with proven management teams that possess a clear vision and whose companies have sustainable competitive advantages within well-defined segments of or strategies in the energy industry. Quantum primarily focuses on the oil and gas upstream, midstream and power sectors, but will consider opportunities across the entire energy industry.</p> <p>Quantum Resources' investment strategy is to acquire, develop, enhance and exploit mature oil and gas properties in order to provide investors with both a current income vehicle with capital appreciation potential and a hedge to other investments through long-term exposure to changes in commodity prices. The company will acquire cash flow producing oil and gas properties primarily located in North America through asset or corporate purchases. By acquiring properties in a diverse set of mature fields with long operating histories, long-lived production characteristics and additional development potential, the company is emphasizing a focus on capital preservation and the reinvestment of cash flow into property development or add-on acquisitions. Management expects to acquire income streams generated by the production of oil and gas reserves at attractive discount rates of future net cash flows.</p>
Research Affiliates Jeff Wilson	Insurance	Dom Small Cap Equity	Jul-07	Small company value equity portfolio utilizing the index strategy and philosophy described as the Enhanced RAFI® US Small strategy which in turn is based on our patent pending Fundamental Index® concept. The Enhanced RAFI® US Small strategy relies on portfolio weights derived from firm fundamentals (free cash flow, book equity value, total sales and gross dividend), instead of market capitalization. In addition, the enhanced portfolio strategy uses a quality of earnings screening and a financial distress screening to augment portfolio returns and reduce portfolio volatility.
SEI Investments	Pension Insurance	Dom Small Cap Equity Dom Small Cap Equity	Jul-01 to Nov-09 Terminated Jul-01 to Nov-09 Terminated	Utilizing multiple SEI Portfolio sub-advisors, the SEI Portfolio invests in common stocks and other equity securities with the goal of providing capital appreciation.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
SEI Investments Bob Thomas	PERS Retiree Health		Jul-09	<p>Fixed Income Strategy - A diversified set of lowly correlated alpha sources increase confidence in consistent excess return -Combination of managers with a broad opportunity sets inclusive of government, credit and structured securities -Derivatives provide an efficient means of strategy implementation -Managers have the ability to utilize derivatives to manage duration, yield curve, sector and security strategies to enhance return or reduce risk</p> <p>Emerging Markets Debt Strategy - Specialist Emerging Market Debt Managers and seasoned investment teams with complementary investment philosophies that invest broad opportunity sets inclusive of tactical allocations to external debt, local debt, local currency, and corporate debt.</p> <p>High Yield Strategy - Diversified group of managers with deep and experienced credit resources whose outperformance will be generated from both Sector/Industry and Selection decisions. The differentiation between managers is not on the alpha source they are seeking to exploit, but rather on the credit philosophy and process. Broad opportunity sets primarily in fixed income securities rated below investment grade, including corporate bonds. May also invest in bank loans, convertible and preferred securities, zero coupon obligations and credit derivatives. Given the illiquidity of the high yield market, managers also have the ability to utilize the credit default swap market for enhancing return or reducing risk.</p> <p>Small Cap Strategy - Utilizing multiple SEI Portfolio sub-advisors, the SEI Portfolio invests in common stocks and other equity securities with the goal of providing capital appreciation.</p> <p>World Equity ex-US Strategy - Utilizing multiple SEI portfolio sub-advisors, the SEI portfolio invests in equity securities of foreign companies, including those in emerging market countries with the goal of capital appreciation. These securities may include common stocks, preferred stocks, warrants, exchange-traded funds based on an international equity index and derivative instruments whose value is based on an underlying equity security or basket of equity securities. The SEI portfolio is diversified as to issuers, market capitalization, industry and country. Certain SEI portfolio sub-advisors use strategies that are designed to correlate with a portfolio of international equity securities, but which are composed of derivative instruments backed by other types of securities.</p> <p>Large Cap Equity Strategy - A Russell 1000 index fund.</p>
SEI Investments Bob Thomas	Pension (Job Service only)	Core Plus Fixed Income	Jul-09 to Mar-12 Terminated	<p>A diversified set of lowly correlated alpha sources increase confidence in consistent excess return -Combination of managers with a broad opportunity sets inclusive of government, credit and structured securities -Derivatives provide an efficient means of strategy implementation -Managers have the ability to utilize derivatives to manage duration, yield curve, sector and security strategies to enhance return or reduce risk</p>
State Street Global Advisors Kevin Sullivan	Pension	Developed Int'l Equity	Jul-92	<p>SSgA attempts to identify stocks that it believes are undervalued, using detailed investment analysis. The strategy is normally broadly invested among countries and industries. The investable universe is equity securities of companies outside the United States within the market capitalization range of the index.</p>
State Street Global Advisors Kevin Sullivan	Pension	Dom Inv Grade FI	Jun-13	<p>This is a commingled index fund that seeks to replicate the risk and return characteristics of the Barclays Long Treasury Bond Index.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
State Street Global Advisors Kevin Sullivan	Insurance	Fixed Income	Jun-13	This is a commingled index fund that seeks to replicate the risk and return characteristics of the Barclays Government/Credit Bond Index.
State Street Global Advisors	Pension	Dom Lg Cap Equity	Jul-92 to Jul-09 Terminated	Originally hired as S&P 500 Index funds and later re-mandated to 130/30 strategies.
	Insurance	Dom Lg Cap Equity	Oct-96 to July-09 Terminated	
State Street Global Advisors	PERS Retiree Health		Mar-94 to Jul-09 Terminated	Balanced account consisting of index funds in fixed income, large and small cap and int'l equity.
EIG Energy (formerly TCW) Lisa Higa	Pension	Private Equity	Jul-07	TCW Energy Fund XIV-A, L.P. (the "Fund") is a Delaware limited partnership, formed on October 27, 2006 for the purpose of establishing a diversified portfolio of investments in energy and energy-related infrastructure projects and companies on a global basis. The investments will include loans, production payments, net profits interests, royalty interests and other forms of debt and equity securities issued by companies globally with emphasis on operations in the United States, Canada, Western Europe and Australia. The Fund, TCW Energy Fund XIV, L.P., TCW Energy Fund XIV-B, L.P., and TCW Energy Fund XIV (Cayman) L.P., (collectively, "Fund XIV") shall not invest more than 15% of total commitments ("Commitments") in any one issuer and shall not invest more than 25% of Commitments in issuers operated principally outside Organization for Economic Cooperation and Development ("OECD") countries. The Fund shall not invest more than 35% of Commitments in equity securities other than equity securities received in connection with the purchase of mezzanine debt.
TIR-Timberland Investment Resources Tom Johnson	Pension	Timber	Jun-01 Sept-04	Teredo Timber LLC - The investment objective of Teredo is to provide competitive investment returns from increasing saw timber production through the 20 year term of the partnership. TIR's management strategy is to maximize saw timber volume by applying intensive forest management techniques which accelerate growth through the diameter class distribution (from pulpwood to saw timber). Periodic cash flows are produced from thinning and final harvests of the individual timber stands. Springbank LLC - The investment objective of Springbank is to maximize long-term investment potential. TIR will implement four key strategies to attain the objective: <ul style="list-style-type: none"> • Formation of a dedicated land management group; • Intensive timber management to increase timber production; • Coordination of timber harvesting with land management activities; • Direct marketing and selective real estate partnerships.
TIR-Timberland Investment Resources Tom Johnson	Insurance	Inflation Protected	Oct-08	Eastern Timberland Opportunities Fund - The investment objective of the Eastern Timberland Opportunities fund is to provide competitive timberland investment returns from Eastern US timberland investments by pursuing management strategies to increase timber production and land values through the investment term. TIR will maximize timber values within the portfolio with the application of intensive forest management techniques to accelerate the growth in timber volume and movement into higher value product categories. Additional value will be captured by realizing higher and better use opportunities for select timberland properties throughout the portfolio.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
UBS Global Asset Management Betsy Sanders	Pension	Emerging Markets Equity	Jul-05	Emerging markets equity investments will be confined to the UBS Emerging Markets Equity collective Fund of the UBS Group Trust, which is maintained by UBS Global Asset Management Trust Company. The account's emerging markets equity assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes.
UBS Global Asset Management Betsy Sanders	Pension	Dev. Int'l Fixed Income	Jul-89	The non-US fixed income portfolio's assets may be invested in emerging markets debt on an opportunistic basis up to the stated maximum allocation of 5%. The account's non-US fixed income assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes.
Vanguard Group Andrew Weber	Insurance	Int'l Equity	Jun-03	Vanguard International Explorer Fund seeks to provide long-term capital appreciation. The fund invests primarily in the equity securities of small-capitalization companies located outside the United States that the advisor believes offer the potential for capital appreciation. In doing so, the advisor considers, among other things, whether a company is likely to have above-average earnings growth, whether the company's securities are attractively valued, and whether the company has any proprietary advantages.
Wachovia Global Securities Lending John Menard	Pension Insurance	All asset classes	Oct-07 to Jun-11 Terminated when acquired by Citi	Securities lending is the temporary loan of a security from an institutional investor's portfolio to a broker/dealer or dealer bank to support that firm's trading activities. These trading activities include short selling, selling on margin or the satisfaction of some other type of transaction. Loaned securities are generally collateralized, reducing the lender's credit exposure to the borrower. Except for the right to vote proxies, the lender retains entitlement to all the benefits of owning the original securities, including the receipt of dividends and interest. Additionally, the lender receives a fee for the use of the securities and can reinvest the collateral. The lender, however, bears the market risk of the loaned securities. This is due to the borrower being obligated to ultimately return the securities, not the original market value of the securities, at the time the loan was made. Lendable securities include U.S. government and agency bonds, U.S. and foreign equities, U.S. corporate and Eurobonds, foreign government bonds, asset backed and mortgage backed securities
Wellington Trust Company Elizabeth O'Hara	Pension	Developed Int'l Equity	Mar-02	<p>Securities lending is the temporary loan of a security from an institutional investor's portfolio to a broker/dealer or dealer bank to support that firm's trading activities. These trading activities include short selling, selling on margin or the satisfaction of some other type of transaction. Loaned securities are generally collateralized, reducing the lender's credit exposure to the borrower. Except for the right to vote proxies, the lender retains entitlement to all the benefits of owning the original securities, including the receipt of dividends and interest. Additionally, the lender receives a fee for the use of the securities and can reinvest the collateral. The lender, however, bears the market risk of the loaned securities. This is due to the borrower being obligated to ultimately return the securities, not the original market value of the securities, at the time the loan was made. Lendable securities include U.S. government and agency bonds, U.S. and foreign equities, U.S. corporate and Eurobonds, foreign government bonds, asset backed and mortgage backed securities.</p> <p>The International Small Cap Opportunities investment approach is bottom-up focused, and leverages the global research resources at Wellington Management. In implementing purchase decisions, consideration is given to the size, liquidity, and volatility of these prospects. Sell decisions are based on changing fundamentals or valuations, or on finding better opportunities elsewhere. The assets are not hedged.</p>

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Wells Capital Management Cary Musser	Pension Insurance	Dom Inv Grade FI Fixed Income	Nov-98 to Mar-12 Terminated Apr-02	The Medium Quality Credit fixed income strategy is designed to maximize total return from the high-grade corporate bond market while maintaining a strategic allocation to the BBB portion of the high yield market. Credit research is a primary driver of our results; however, our process starts with a "top-down" strategy to guide decision-making. Security selection is determined by in-depth credit research. We believe in-depth knowledge of industries, companies, and their management teams enable us to identify credit trends that can lead to investment opportunities. In conjunction with performing rigorous fundamental research, we also apply a disciplined relative value framework which helps us determine the optimal position to invest within an industry and within an individual issuer's capital structure.
Wells Capital Management Jeff Mellas Doug Beath	Pension	Dom Lg Cap Equity	Apr-06 to Mar-10 Terminated	The State of North Dakota's Alpha Capture Portfolio (ACP) is a quantitatively driven global long/short strategy designed to exploit mispricing of risk between and within asset classes and market sectors. Core models are utilized in conjunction with the management team to identify opportunities between global stock and bond markets. Markets that are designed to focus more directly on specialized markets such as commodities and individual market sectors supplement the core models. ACP is constructed using instruments such as futures contracts and exchange traded funds (ETFs). The ACP strategy does not currently hedge its non-U.S. dollar positions.
Wells/Sutter Niklas Nordenfelt	Pension	Below Inv Grade FI	Apr-04 to Mar-10 Terminated	The Sutter High Yield strategy applies a bottom-up fundamental based investment strategy focused on identifying the best risk adjusted opportunities in the high yield market. The investment objective is to deliver outperformance with less volatility over a market cycle. Documented rationale supports each initial investment in a credit. The team's philosophy and process is grounded on the principal of "underwriting the credit as though we are making a direct loan to that company" with a focus on U.S. based companies.
Western Asset Joseph Carieri Derek Fan	Pension	Dom Inv Grade FI	Mar-12	The investment objective for the Western Asset Mortgage-Backed Securities portfolio is to outperform the Barclays Capital US Mortgage Backed Securities Index over a three to five year market cycle. The portfolio is designed to hold high quality assets, with at least 90% of the portfolio rated AAA, or the rating of US Treasury or Agency securities, by at least one of the nationally recognized statistical rating organizations.
Western Asset Joseph Carieri Derek Fan	Pension Insurance	Dom Inv Grade FI Fixed Income	Oct-09 to Mar-12 Mandate changed to MBS Dec-93	A portfolio using all major fixed-income sectors with a bias towards non-Treasuries, especially corporate, mortgage-backed and asset-backed securities. Value can be added through sector rotation, issue selection, duration and term structure weighting.
Western Asset	Insurance	Inflation Protected	May-04 to Oct-09 (Mandate changed to Global TIPS)	Western Asset's US TIPS Full Discretion Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies in seeking to add value while minimizing risk. The approach is to construct a well diversified, higher yielding inflation-protected portfolio with a bias towards Treasury Inflation Protected Securities. Exposure to the diversifying sectors (which include credit, global inflation-linked securities and mortgage-backed securities) may be derived through derivative and forward transactions. This strategy allows for opportunistic investments in high yield, emerging markets, non-dollar securities, commodities and bank loans.

North Dakota State Investment Board Managers

Investment Manager	Trust	Asset Class	Open to Close Date	Description
Western Asset Joseph Carieri	Insurance	Inflation Protected	Oct-09	Western Asset's Global Inflation-Linked composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies in seeking to add value while minimizing risk. The approach is to construct a portfolio primarily of inflation-indexed securities. Value can be added through country selection, term structure, issue selection, duration management and currency management.
Westridge/WG Trading/Clifton	Pension Pension Insurance	Dom Lg Cap Equity Dom Inv Grade FI Dom Lg Cap Equity	Aug-00 to Apr-11 Jan-08 to Apr-11 Apr-04 to Apr-11 (Settlement proceeds rec'd Apr- 11)	S&P 500 Index Arbitrage Portfolio. Pension Domestic Fixed Income beta portfolio was changed to S&P 500 in November 2008. WG Trading was shut down by Federal Regulators in February 2009 and assets are in receivership. An S&P beta exposure was put on the accounts in July, 2009 by Clifton Group to maintain proper exposure to markets while in litigation.

From: Michael Kennedy [mailto:Michael.Kennedy@kornferry.com]
Sent: Thursday, June 27, 2013 1:27 PM
To: Sandal, Mike W.
Cc: Michele Booth; Lin Downs
Subject: Korn/Ferry Update

Mike,

I am providing my weekly update to keep you posted on the progress of the Korn/Ferry team.

General Overview

Over the past two weeks, we have reached out to over 60 contacts. To date, we have had conversations with more than half. Due to the summer, several candidates have not been reached yet. We still have another group of at least 40-50 people to contact over the next two weeks. So far, the overall feedback has been positive. We are still too early in the search process to determine any specific trends regarding feedback (i.e. compensation, location, structure, etc). We currently have approximately 5-6 candidates who are interested in the position and appear, at least initially, to have the appropriate background. We expect to interview several of these potential candidates via skype over the next two weeks. A few of these may become top tier candidates after our interviews while others will be moved to a second category. KF is making good progress in getting the word out in the marketplace and generating good momentum.

Advertisements

KF is placing ads on the following websites:

National Council of Teacher Retirement (NCTR)- free

National Association of Securities Professionals (NASP)- free

(National Association of State Retirement Administrators(NASRA) and National Council for Public Employee Retirement Systems (NCPERS) do not allow for postings on their sites)

The NCTR and NASP ads should be up and running over the next few days.

KF is also posting an ad in Pensions and Investments. It should be posted in the next edition.

Korn/Ferry Website (Talent Dashboard)

We are developing a dedicated secure website for the members of the Search Committee. On this site, KF will post information related to the search including, the position description, candidate resumes, candidate appraisals, references (when appropriate). This site will be updated on a regular basis. Only members of the Search Committee will be provided with ID numbers to access this site. They will be able to access the site 24 hours. We will use this as the primary mechanism to provide candidate information. This will also allow us not to forward candidate information electronically. We expect to have this established by the end of next week (may be delayed a couple of days due to July 4).

Timeline

The KF team has been in the market for two weeks in our candidate outreach phase. Based on our feedback, we would anticipate being in a position for candidate interviews with the Search Committee in late July. We would suggest that the Search Committee tentatively block out a couple of dates the last two weeks of July for interviews. We will probably

only need one of the dates for first round interviews. But we can release one of the dates the closer we get to the actual interviews. I would suggest one date the week of July 22 and the other date the week of July 29. I will be in attendance for the interviews. Of course, prior to those dates, we will work with the Search Committee members to narrow down the list to the top candidates.

Conference Call

I would suggest having a conference call with the members of the Search Committee the week of July 8. We will provide a dial-in number for participants. On this call, we will provide an overview of the search, market feedback and general candidate information. We will NOT discuss specific candidate details on this call. The purpose is to provide the members with an update and to solicit any feedback.

Holiday Week

Since next week is the week of July 4, we do not anticipate much activity on the search. We may be able to reach a few people early in the week, but things will be quiet after Tuesday. The KF team will be out on July 4 and 5.

Mike, I hope this is helpful in keeping you and your colleagues up-to-date on our progress. Do not hesitate to contact us directly if you and others have suggestions or questions. Finally, I am attaching the final version of the position description. This will be posted on the Talent Dashboard.

Regards,

Michael

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Confidential Position Specification

**North Dakota Retirement & Investment
Office**

Chief Investment Officer & Executive Director

June 2013

CONFIDENTIAL POSITION SPECIFICATION

Position	Chief Investment Officer & Executive Director
Company	North Dakota Retirement & Investment Office (RIO)
Location	Bismarck, North Dakota
Reporting Relationship	This position will report to the North Dakota State Investment Board.
Website	http://www.nd.gov/rio

COMPANY BACKGROUND/CULTURE

The North Dakota Retirement and Investment Office (RIO) was established in 1989 to coordinate the activities of the State Investment Board (SIB) and The Teachers' Fund for Retirement (TFFR). The SIB is the governing authority for RIO.

The SIB has statutory responsibility for the administration of the investment programs of 23 funds, including the Public Employees Retirement System (PERS), the Teachers' Fund for Retirement (TFFR), the Workforce Safety & Insurance Fund, and the Legacy and Budget Stabilization Funds. The SIB also maintains contractual relationships for investment management with certain political sub-divisions. The 11 member SIB includes the Lt. Governor, State Treasurer, State Insurance Commissioner, Executive Director of Workforce Safety & Insurance, Land Commissioner, three representatives of PERS, and three representatives of TFFR.

In addition to administering the state's investment program, RIO is also responsible for administration of the TFFR pension program for ND educators. The TFFR serves over 10,000 members from 222 employer groups and pays benefits to more than 7,100 retirees and beneficiaries.

RIO employs a staff of 19, which includes the Executive Director - CIO, Deputy CIO, and five other positions generally allocated to the SIB investment program. RIO staff also includes a Deputy Executive Director - Chief Retirement Officer, who works with the TFFR Board and 11 other employees to administer the TFFR pension program.

All funds invested under the direction of the SIB follow the "Prudent Investor Rule." Investments are managed exclusively in the interest of meeting each funds' individual objectives. Asset allocation and investment policy are determined by each funds' individual governing board. All funds are managed externally, and professional investment managers, consultants and custodians are retained to assist in the

implementation of the investment program.

The ND SIB believes that an investment program must be built and managed like any good business, with a clear statement of mission, overall objectives, roles and responsibilities, and policies and guidelines. Major issues include:

- A. Asset Allocation Targets: (1) setting appropriate benchmarks; (2) finding the right managers; (3) monitoring the program; and (4) searching for appropriate new opportunities.
- B. To ensure rigorous attention to all aspects of the investment program, the SIB follows an established investment process which involves three phases: (1) investment policy development/modification; (2) implementation/monitoring; and (3) evaluation.

The SIB investment team oversees externally-managed assets of approximately \$6.1 billion. The assets are comprised of \$3.7 billion in pension investments and \$2.4 billion in insurance investments. The TFFR and the PERS plans comprise the bulk of the pension pool investments.

Recently added to SIB management, the ND Legacy Fund was created by a constitutional amendment in 2010, and provides that 30% of oil and gas gross production and oil extraction taxes on oil produced after June 30, 2011 be transferred to the Legacy Fund. The fund is projected to grow to approximately \$3 billion by the end of the 2013-15 biennium.

As of March 31, 2013, the Pension and Insurance Trusts target asset allocation were as follows:

	Pension Trust Target
Domestic Large Cap	16.5%
Domestic Small Cap	4.9%
Developed International Equity	11.1%
Emerging Markets Equity	3.1%
Global Equity	16.0%

Private Equity	4.9%
Investment Grade Fixed Income	13.1%
Below Investment Grade Fixed Income	5.1%
Developed Investment Grade International Fixed Income	5.0%
Global Real Estate	9.7%
Timberland	4.9%
Infrastructure	4.9%
Cash & Equivalent	1.0%
	100.0%

	Insurance Trust Target
Domestic Large Cap	5.8%
Domestic Small Cap	2.0%
International Equity	4.0%
Domestic Fixed Income	28.6%
Inflation Protected	11.8%
Short Term Fixed Income	42.3%
Cash & Equivalent	2.3%
Real Estate	3.2%
	100.0%

KEY RESPONSIBILITIES

The Chief Investment Officer (CIO) of the SIB also serves as the Executive Director of RIO. The CIO manages the day-to-day investment activity and the multiple outside investment managers and advisors, formulates long-term investment policies and strategies, makes recommendations to the SIB and individual plan governing boards, and implements approved policies and strategies. The CIO also is responsible for serving as the in-house investment expert to the SIB and individual plan governing

boards, providing education and advice on asset allocation, portfolio structure, and investment strategies. The Executive Director manages RIO's strategic planning process and leads the formulation of the organizational mission, objectives, and strategies.

Essential Duties and Responsibilities:

Investment Administration/Policy

- Formulate, evaluate and recommend an investment policy for all of SIB client assets, including asset allocation, structure of investment assets and, upon SIB approval, implementation of the policy.
- Monitor and evaluate total portfolio risk and return, and recommend adjustments to the asset allocation, investment strategy, manager structure and guidelines.
- Adjust managers' assets to maintain proper risk levels and asset allocation targets.
- Monitor and oversee SIB clients' external investment managers.
- On a monthly basis, evaluate and review the investment activity and portfolio management of the investment managers.
- Report a summary of investment manager activity and compliance with investment policy and contractual guidelines to the SIB and individual plan governing boards.
- Regularly meet with the investment managers to review performance and other activity.
- Oversee and, from time to time, participate in searches for new investment managers and consultants, negotiate fees and contracts, and recommend termination of managers when necessary.
- Coordinate direction on all investment issues for external investment consultant(s).
- Monitor, analyze, and recommend changes for all investment costs, including commissions, manager fees and other costs.
- Formulate, recommend and implement investment strategies in the U.S. and international public and private investment markets.
- Research and recommend new asset classes and innovative investment management styles that can increase the return on assets, reduce risk, or reduce costs to the plan.

- Assist the SIB and individual plan governing boards with investment education and other efforts to promote sound decision-making on investments.
- Provide written and verbal investment education and research to the SIB and individual plan governing boards, Legislative Committees, and other stakeholders, as necessary.

Office Administration

- Provides leadership, coaching and feedback to RIO staff, recommending measures to improve performance and increase efficiency.
- Direct the preparation and execution of the RIO budget and SIB legislative agenda. Assure follow-through and evaluate results.
- Establish and maintain working relationships across all organizational work units and levels.
- Represent the RIO and promote SIB programs to various stakeholders, constituencies, political subdivisions and the state legislature.
- Assure accountability and compliance with all statutory and SIB prescribed policies and procedures.
- Oversee the Deputy Executive Director/Chief Retirement Officer and subordinate staff responsible for administering accurate, prompt and efficient TFFR pension benefits program to constituents and educational outreach initiatives.

PROFESSIONAL EXPERIENCE/QUALIFICATIONS

Minimum ten years of relevant investment experience with a pension plan, foundation/endowment, trust organization, investment banking firm, money management firm or financial consulting firm, with responsibility for the formulation and/or implementation of investment policy for substantial portfolios utilizing all major asset classes (e.g., stocks, bonds, real estate, private equity, etc.).

The person must have a superior intellectual capacity and be someone who is a natural leader, and be able to enhance the current investment management and retirement administration organization. He/She will also have to be a visionary and a strategic thinker. The right person will have demonstrable skills in building and motivating successful teams.

The ideal candidate will have a passion for excellence and the desire to have a

significant impact on the organization. He/She will have outstanding people skills and experience in building, leading and mentoring a team of professionals in pension fund management, and will exhibit demonstrated leadership qualities, including the ability to engage and inspire a talented and dedicated senior staff. Ethics must be of the highest quality.

The successful candidate will possess excellent interpersonal skills, a compelling presence, and strong skills in working with diverse groups to assist each in meeting its respective goals. Presentation skills, both oral and written, shall be superb. Must be able to explain complicated topics in an understandable manner without talking down to the audience. Mature and self-assured, the successful candidate must be able to demonstrate credibility and gain respect, both internally and externally. Creative leadership is a critical success factor. He/She must continue to build a team that is supportive of one another, respects individual skills, is innovative, and takes opportunities to develop professional skills.

The successful candidate will have the following experience/traits:

- A deep and broad knowledge of institutional investment management, public sector funds preferred.
- A proven record of success in both academic and professional pursuits, established outstanding results, and a record of rapid advancement in every challenge undertaken.
- Superb team-building skills, with a predisposition to building consensus and achieving goals through collaboration rather than purely direct line authority.
- A positive, results-oriented style, evidenced by listening, motivating, delegating, influencing and monitoring the work being done.
- A high level of energy, sense of urgency, creativity and decisiveness, coupled with the ability/willingness to work hard and well under pressure.
- An engaging/open interpersonal style, complemented by the analytical pragmatism necessary to quickly dissect highly complex issues.
- Strong operations leadership and management skills.
- Ability to establish immediate credibility among his/her staff; a professional who is respected for his/her intelligence and technical expertise.
- A genuine interest in mentoring and developing professional staff members.
- Unquestionable integrity, credibility and character, demonstrating high moral and ethical behavior.

Additionally, the successful candidate will possess the following knowledge, skills and abilities:

- Extensive knowledge of investment concepts, strategies, styles, and analytical methodologies from the total portfolio level to individual security selection.
- Knowledge of global and domestic macro economic and capital market issues relating to investments.
- Knowledge of statistical concepts, methods and models, and their application to investments.
- Extensive skill in managing, mentoring and motivating staff to meet organization goals and objectives.
- Extensive skill in negotiating issues and resolving problems.
- Extensive skill in effective written and verbal communications, including preparing and delivering complex correspondence, reports, presentations, policies and proposals.
- Experience in interfacing and working collaboratively with governmental entities, such as legislative bodies, as needed.
- Ability to promote and maintain harmonious working relationships with co-workers, division staff and external contacts, and to work effectively in a professional team environment.
- Demonstrated ability in developing investment objectives and establishing performance benchmarks, policies, strategies and tactics for diversified investment programs.
- Strong media relations acumen. Outstanding written, verbal and presentation skills are required.
- A strong understanding of the public sector environment is critical, including financial reporting, accounting rules, media interface, open meetings and public record laws, and overall public sector processes.
- Experience interfacing and interacting with public funds boards is desired, as well as with consultants and investment advisors.

LEADERSHIP CHARACTERISTICS

Understanding the Business

- Knows the business and the mission-critical technical and functional skills needed to do the job; understands various types of business propositions and

understands how businesses operate in general; learns new methods and technologies easily.

Making Complex Decisions

- Can solve even the toughest and most complex of problems; great at gleaning meaning from whatever data is available; is a quick study of the new and different; adds personal wisdom and experience to come to the best conclusion and solution, given the situation; uses multiple problem-solving tools and techniques.

Being Organizationally Savvy

- Maneuvers well to get things done; maze bright; knows where to go to get what he/she needs; politically aware and agile; knows what the right thing to do is; presents views and arguments well.

Communicating Effectively

- Writes and presents effectively; adjusts to fit the audience and the message; strongly gets a message across.

Relating Skills

- Warm, friendly, and interpersonally agile; easy to approach and talk to; relates well to all kinds of people; makes a pleasant first impression and builds solid relationships.

Inspiring Others

- Is skilled at getting individuals, teams, and an entire organization to perform at a higher level and to embrace change; negotiates skillfully to achieve a fair outcome or promote a common cause; communicates a compelling vision and is committed to what needs to be done; inspires others; builds motivated, high-performing teams; understands what motivates different people.

Acting with Honor and Character

- Is a person of high character; is consistent and acts in line with a clear and visible set of values and beliefs; deals and talks straight; walks his/her talk; is direct and truthful but at the same time can keep confidences.

EDUCATION

Candidates should have a Bachelor's degree from an accredited four-year college or university with major course work in business administration, finance, accounting,

economics, or a related area. Either a master's degree in accounting, finance, economics, or a closely related field OR a CFA is strongly preferred.

COMPENSATION

The successful candidate will be paid a base salary ranging from \$180,000 to \$220,000 per year as well as benefits including: (1) paid family health insurance, (2) life insurance, and (3) a defined benefit retirement plan.

EQUAL OPPORTUNITY EMPLOYER

The State of North Dakota and this hiring agency do not discriminate on the basis of race, color, national origin, sex, genetics, religion, age or disability in employment or the provision of services, and complies with the provisions of the North Dakota Human Rights Act.

KORN/FERRY CONTACTS

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**NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE
SIB AUDIT COMMITTEE MEETING
PEACE GARDEN ROOM, STATE CAPITOL BUILDING
FRIDAY MAY 17, 2013
1:00 P.M. CDT
AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. APPROVAL OF FEBRUARY 22, 2013 MINUTES** (enclosed)
- 4. PRESENTATION OF JULY 1, 2012 TO JUNE 30, 2013 FISCAL YEAR FINANCIAL AUDIT SCOPE AND APPROACH** - Representatives from CliftonLarsonAllen.
- 5. REPORT ON JULY 1, 2012 TO MAY 10, 2013 FISCAL YEAR INTERNAL AUDIT ACTIVITIES** - Les Mason and Dottie Thorsen (enclosed)
 - A. School district audit progress (enclosed)
 - B. Compliance audits (enclosed)
- 6. CONSIDERATION OF PROPOSED JULY 1, 2013 TO JUNE 30, 2014 FISCAL YEAR INTERNAL AUDIT SERVICES UNIT WORK PLAN** - Les Mason (enclosed)
 - A. Proposed work plan
 - B. Budgeted hours for the fiscal year
 - C. Risk assessment/selection of school district audits
 - D. Follow-up reviews
- 7. SIB AUDIT COMMITTEE CHARTER**
- 8. MEETING DATES FOR JULY 1, 2013 – JUNE 30, 2014 FISCAL YEAR** – (enclosed)
- 9. OTHER**
- 10. Next SIB Audit Committee meeting** – September 27, 2013.

ADJOURNMENT

Any person who requires an auxiliary aid or service must contact the Executive Director of the Retirement and Investment Office at 701/328-9885 (Relay ND 800/366-6888) at least three (3) days prior to the scheduled meeting.

STATE INVESTMENT BOARD
 AUDIT COMMITTEE MEETING
 MINUTES OF THE
 FEBRUARY 22, 2013 MEETING

COMMITTEE MEMBERS PRESENT: Rebecca Dorwart, Chair
 Lonny Mertz, Vice Chair
 Mike Gessner, TFFR Board/Liaison to the SIB
 Mike Sandal, PERS Board
 Cindy Ternes, Workforce Safety & Insurance

STAFF PRESENT: Bonnie Heit, Office Manager
 Fay Kopp, Interim Executive Director
 Les Mason, Internal Audit Supervisor
 Dottie Thorsen, Internal Audit

CALL TO ORDER:

Ms. Dorwart called the State Investment Board (SIB) Audit Committee meeting to order at 1:00 p.m., on Friday, February 22, 2013, at Workforce Safety & Insurance, 1600 E Century, Bismarck, ND.

A quorum was present for the purpose of conducting business.

AGENDA:

The Audit Committee considered the February 22, 2013, agenda.

MS. TERNES MOVED AND MR. GESSNER SECONDED TO ACCEPT THE AGENDA FOR THE FEBRUARY 22, 2013, MEETING.

AYES: MS. DORWART, MR. SANDAL, MS. TERNES, MR. MERTZ, AND MR. GESSNER

NAYS: NONE

MOTION CARRIED

MINUTES:

The Audit Committee considered the minutes from the November 16, 2012, meeting.

MR. SANDAL MOVED AND MS. TERNES SECONDED TO ACCEPT THE NOVEMBER 16, 2012, MINUTES AS WRITTEN.

AYES: MR. GESSNER, MS. DORWART, MR. SANDAL, MS. TERNES, AND MR. MERTZ

NAYS: NONE

MOTION CARRIED

INTERNAL AUDIT ACTIVITIES:

Mr. Mason reviewed the Internal Audit Division's work activity for the period of November 14, 2012 - February 13, 2013.

School District Audit Reports - The objective is to complete 43 or more school district audits during FY2013. Currently, 12 audits have been completed, ten audits are in progress, and information on six or more school districts has been received.

TFFR File Maintenance - Ms. Thorsen reported she reviewed member file transactions for the months of October - February for FY2013. There were no exceptions noted.

Executive Limitations - Mr. Mason also tested executive performance to determine compliance with the State Investment Board's Executive Limitations policy for the period of June 1 - December 31, 2012. There were no exceptions noted.

MR. GESSNER MOVED AND MR. MERTZ SECONDED TO ACCEPT THE INTERNAL AUDIT DIVISION'S WORK ACTIVITY REPORT FOR THE PERIOD OF NOVEMBER 14, 2012 - FEBRUARY 13, 2013.

AYES: MS. TERNES, MR. MERTZ, MS. DORWART, MR. SANDAL, AND MR. GESSNER

NAYS: NONE

MOTION CARRIED

CHARTER:

The Audit Committee reviewed a revised Charter which they previously reviewed and discussed at their November 16, 2012, meeting. After further changes by the Audit Committee, Mr. Mason is to also compare the charter to other entities charters and bring back other suggestions or changes for further consideration by the Audit Committee to the May 17, 2013, meeting.

REVIEW MEETINGS:

The Audit Committee's charter states the Audit Committee will meet periodically, out of the presence of management and the external auditors as appropriate, to receive updates on the Internal Audit Program and to address any concerns or any issues that staff would like to address. The Audit Committee also elected to meet separately with the Interim Executive Director.

The Audit Committee discussed with both parties the progress made on school district audits. The goal is to audit each school district within a five year period as outlined in the Internal Audit Division's work plan for July 1, 2012 - June 30, 2013. To achieve this goal, 43 school district audits will need to be completed for Fiscal Year 2013. The Audit Committee and staff have identified this area as an area of risk which the Internal Audit Division has been focusing their time on. The Audit Committee discussed their concerns on achieving this goal with both parties and determined that changes will need to be made in order to accomplish the goals of the work plan. Ms. Dorwart will follow-up with staff and report back to the Audit Committee at their May 17, 2013, meeting.

OTHER:

The next Audit Committee meeting is scheduled for May 17, 2013, at 1:00 p.m. at the State Capitol, Peace Garden Room.

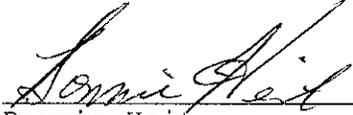
ADJOURNMENT:

With no further business to come before the Audit Committee, Ms. Dorwart adjourned the meeting at 2:55 p.m.

Respectfully Submitted:



Ms. Rebecca Dorwart, Chair
SIB Audit Committee



Bonnie Heit
Assistant to the Audit Committee

SIB Managers Currently Under Review

Manager	Pool	Review Inception	Reason	Status
Calamos	Pension	Feb-13	Nick Calamos resignation as co-CIO, Gary Black hiring as co-CIO	Ongoing review, on-site visit scheduled for July
Clifton Group	Pension, Insurance	Nov-12	Acquisition by Parametric Portfolio Associates	Ongoing review, acquisition closed
Credit Suisse	Pension, Insurance	Aug-12	Credit Suisse announced intention to divest Customized Fund Investment Group (CFIG)	Ongoing review, sale pending
Epoch Investment Partners	Pension	Dec-12	Acquisition by TD Bank Group	Ongoing review, on-site visit pending
Loomis Sayles	Pension	Oct-12	Full Discretion co-PM Kathleen Gaffney departure	Ongoing review of two additions to Full Discretion team and Dan Fuss succession plan
State Street	Pension	Jun-12	Process change: Addition of dynamic component to existing static model	Ongoing review of dynamic model, contingent upon global equity mandate structure review