

**STATE INVESTMENT BOARD
MINUTES OF THE
APRIL 18, 2008, BOARD MEETING**

BOARD MEMBERS PRESENT: Clarence Corneil, Vice Chair
 Jeff Engleson, Deputy Land Commissioner
 Mike Gessner, TFFR Board
 Ron Leingang, PERS Board
 Mike Sandal, PERS Board
 Kelly Schmidt, State Treasurer
 Cindy Ternes, Workforce Safety & Insurance
 Bob Toso, TFFR Board
 Tom Trenbeath, PERS Board

MEMBERS ABSENT: Lt. Governor Jack Dalrymple, Chair
 Adam Hamm, Insurance Commissioner

STAFF PRESENT: Steve Cochrane, Executive Director
 Fay Kopp, Deputy Executive Director
 Connie Flanagan, Fiscal & Investment Officer
 Susan Gefroh, Investment Accountant
 Bonnie Heit, Office Manager
 Les Mason, Internal Audit

OTHERS PRESENT: Weldee Baetsch, former SIB trustee
 Oliver Buckley, Franklin Portfolio Associates
 David Dirks, Franklin Portfolio Associates
 Levi Erdmann, Land Dept.
 Chung-Hong Fu, TIR
 Tom Johnson, TIR
 Larry Martin, Insurance Dept.
 Bryan Reinhardt, PERS
 Mark Seaman, TIR
 Aaron Webb, Attorney General's Office

CALL TO ORDER:

Mr. Corneil, TFFR Trustee, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, April 18, 2008, in the Ft. Union Room, at the State Capitol, Bismarck, ND.

THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: MR. CORNEIL, MR. ENGLESON, MR. GESSNER, MR. LEINGANG, MR. SANDAL, TREASURER SCHMIDT, MS. TERNES, AND MR. TRENBEATH

MINUTES:

The Board considered the minutes of the March 14, 2008, meeting,

TREASURER SCHMIDT MOVED AND MR. LEINGANG SECONDED TO APPROVE THE MARCH 14, 2008, MEETING MINUTES.

AYES: MS. TERNES, MR. ENGLESON, MR. GESSNER, MR. LEINGANG, MR. TRENBEATH, MR. SANDAL, MR. CORNEIL, AND TREASURER SCHMIDT
 NAYS: NONE

MOTION CARRIED

ABSENT: LT. GOVERNOR DALRYMPLE, COMMISSIONER HAMM, AND MR. TOSO

BOARD EDUCATION:

Mr. Toso entered the meeting.

Timberland Investment Resources (TIR): Mr. Mark Seaman, Mr. Tom Johnson, and Mr. Chung-Hong Fu reviewed the SIB's portfolio and how the assets have been successful as a fixed income component.

A copy of their report is on file at the Retirement and Investment Office (RIO).

The Board recessed at 9:50 a.m. and reconvened at 10:00 a.m.

Franklin Portfolio Associates: Mr. Oliver Buckley and Mr. David Dirks, reviewed quantitative modeling and also the "quantitative crash" of 2007.

A copy of their report is on file at RIO.

GOVERNANCE:

Administration - Mr. Les Mason, Supervisor of Internal Audit, presented a compilation of evaluation results for the Executive Director's annual performance review for the period ending December 31, 2007. Compensation Committee members appointed by Lt. Governor Dalrymple include Mr. Ron Leingang, Chair, Ms. Cindy Ternes, and Mr. Bob Toso. The Compensation Committee will report back to the board at either the May or June board meetings.

MONITORING:

Included in the board member's packets were the following quarterly monitoring reports for the period ending March 31, 2008: Executive Limitations/Staff Relations, Budget/Financial Conditions, Investment Program, and Retirement Program.

MR. TRENBEATH MOVED AND TREASURER SCHMIDT SECONDED TO APPROVE THE EXECUTIVE LIMITATIONS/STAFF RELATIONS AND INVESTMENT PROGRAM QUARTERLY MONITORING REPORTS FOR THE PERIOD ENDING MARCH 31, 2008.

AYES: MR. GESSNER, MR. ENGLESON, MR. LEINGANG, MS. TERNES, TREASURER SCHMIDT, MR. TOSO, MR. CORNEIL, MR. TRENBEATH, AND MR. SANDAL
 NAYS: NONE

MOTION CARRIED

ABSENT: LT. GOVERNOR DALRYMPLE, COMMISSIONER HAMM

TREASURER SCHMIDT MOVED AND MR. TRENBEATH SECONDED TO APPROVE THE RETIREMENT PROGRAM AND BUDGET/FINANCIAL CONDITIONS QUARTERLY MONITORING REPORTS FOR THE PERIOD ENDING MARCH 31, 2008.

AYES: MR. CORNEIL, MR. GESSNER, MR. SANDAL, MR. LEINGANG, MS. TERNES, TREASURER SCHMIDT, MR. ENGLESON, MR. TOSO, AND MR. TRENBEATH

NAYS: NONE

MOTION CARRIED.

ABSENT: LT. GOVERNOR DALRYMPLE, COMMISSIONER HAMM

OTHER:

Mr. Corneil shared investment vocabulary and notes that he has accumulated over the years. He thought it would be beneficial if board members were to start sharing information that they come across which they feel would be helpful to the other board members.

Mr. Cochrane informed the Board Dr. Miriam Carver, Carver Board Leadership, will be at the June 20, 2008 meeting to review the Carver Board Governance Model.

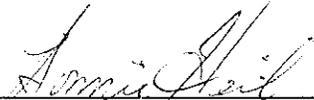
ADJOURNMENT:

With no further business to come before the Board, Mr. Corneil adjourned the meeting at 11:30 a.m.

Respectfully Submitted:



Mr. Clarence Corneil, Vice Chair
State Investment Board



Bonnie Heit
Reporting Secretary