

**STATE INVESTMENT BOARD  
MINUTES OF THE  
JUNE 20, 2008, BOARD MEETING**

**BOARD MEMBERS PRESENT:** Lt. Governor Jack Dalrymple, Chair  
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:** 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 Supervisor  
Shelly Schumacher, Retirement Program Manager

**OTHERS PRESENT:** Miriam Carver, Carver Governance  
Levi Erdmann, Land Dept.  
Kim Franz, TFFR Board Trustee  
Philip Jackson, JP Morgan  
Bill Kalanek, NDRTA/AFPE  
Lowell Latimer, TFFR Board Trustee  
Larry Martin, Insurance Dept.  
Lonny Mertz, SIB Audit Comm.  
Michael O'Brien, JP Morgan  
Gary Rath, NDEA  
Bryan Reinhardt, PERS  
Jim Sakelaris, JP Morgan  
Wayne Sanstead, TFFR Board Trustee  
Mary Thompson, WSI  
Aaron Webb, Attorney General's Office

**CALL TO ORDER:**

Mr. Clarence Corneil, Vice Chair, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, June 20, 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, MR. TOSO, MR. TRENBEATH**

**MINUTES:**

The Board considered the minutes of the May 16, 2008, meeting,

**MR. LEINGANG MOVED AND MR. GESSNER SECONDED TO APPROVE THE MAY 16, 2008, MEETING MINUTES.**

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

**NAYS: NONE**

**MOTION CARRIED**

**ABSENT: COMMISSIONER HAMM, LT. GOVERNOR DALRYMPLE**

Lt. Governor Dalrymple entered the meeting.

**BOARD EDUCATION:**

Carver Governance Model Review - Mrs. Miriam Carver, Carver Governance, presented a refresher course on the Model. The SIB has been operating under this Model for thirteen years.

The Board recessed at 10:15 a.m. and reconvened at 10:30 a.m.

Asian Infrastructure - JP Morgan representatives Mr. Michael O'Brien, Mr. Jim Sakelaris, and Mr. Philip Jackson reviewed the firm's Asian Infrastructure and Related Resources Opportunity (AIRRO) fund.

JP Morgan representatives also held an additional meeting on June 19, 2008 at the State Capitol, Ft. Union Room to discuss this opportunity for investment in more detail with board members that were available to attend.

A copy of both meeting presentations is on file at the Retirement and Investment Office (RIO).

**GOVERNANCE:****INVESTMENTS**

FY 2008 Work Plan - Board members received a completed FY 2008 work plan for their reference and updated board meeting schedule for FY 2009.

Infrastructure Pension Trust - Mr. Cochrane reviewed the JP Morgan AIRRO Fund and how the strategy could be implemented into the Pension Trust. He recommended a guideline \$25 million to \$50 million commitment into the emerging market allocation.

**MR. TRENBEATH MOVED AND MR. SANDAL SECONDED TO ALLOCATE \$35 MILLION TO THE JP MORGAN AIRRO FUND WITH THE INITIAL FUNDING COMING FROM UBS.**

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

**NAYS: NONE**

**MOTION CARRIED****ABSENT: COMMISSIONER HAMM****ADMINISTRATION**

Carver Governance - The Board discussed the Carver Governance presentation. The Board will continue to review their governance policies and procedures with staff at future board meetings.

**OTHER:**

The next SIB meeting is scheduled for July 18, 2008 at 8:30 a.m. in the Ft. Union Room, State Capitol, Bismarck, ND.

**ADJOURNMENT:**

With no further business to come before the Board, Lt. Governor Dalrymple adjourned the meeting at 12:45 p.m.

Respectfully Submitted:

  
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 Lt. Governor Dalrymple, Chair  
 State Investment Board

  
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 Bonnie Heit  
 Reporting Secretary