STATE INVESTMENT BOARD
MINUTES OF THE
AUGUST 22, 2008, BOARD MEETING

BOARD MEMBERS PRESENT:	Lt. Governor Jack Dalrymple, Chair Clarence Corneil, Vice Chair Jeff Engleson, Land Dept. Levi Erdmann, PERS Board 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
MEMBERS ABSENT:	Adam Hamm, Insurance Commissioner
STAFF PRESENT:	Ruby Benning, Office Assistant Steve Cochrane, Executive Director Connie Flanagan, Fiscal & Investment Officer Bonnie Heit, Office Manager Fay Kopp, Deputy Executive Director Les Mason, Internal Audit Supervisor Leslie Moszer, Compliance Officer
OTHERS PRESENT:	Weldee Baetsch, former SIB trustee Greg Burns, NDEA Bruce Furness, WSI Cheng-Soon LAU, Invesco Larry Martin, Insurance Dept. Paul Michaels, Invesco Max Swango, Invesco Aaron Webb, Attorney General's Office

CALL TO ORDER:

Lt. Governor Dalrymple, Chair, called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, August 22, 2008, in the Ft. Union Room, at the State Capitol, Bismarck, ND.

THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: LT. GOVERNOR DALRYMPLE, MR. CORNEIL, MR. ERDMANN, MR. GESSNER, TREASURER SCHMIDT, MR. LEINGANG, MR. ENGLESON, MR. SANDAL, AND MR. TOSO

MINUTES:

The Board considered the minutes of the July 18, 2008, meeting,

MR. GESSNER MOVED AND MR. LEINGANG SECONDED TO APPROVE THE JULY 18, 2008, MEETING MINUTES.

AYES: MR. ENGLESON, MR. GESSNER, MR. LEINGANG, LT. GOVERNOR DALRYMPLE, MR. ERDMANN, MR. SANDAL, MR. TOSO, MR. CORNEIL, AND TREASURER SCHMIDT

NAYS: NONE

MOTION CARRIED
ABSENT: COMMISSIONER HAMM, MS. TERNES

BOARD EDUCATION:

Invesco Asian Real Estate - Invesco representatives Mr. Paul Michaels, Mr. Max Swango, and Mr. Cheng-Soon LAU reviewed the firm's Asian Real Estate Fund I.

Invesco representatives also held an additional meeting on August 21, 2008 at the State Capitol, Ft. Union Room to discuss the investment opportunity in more detail with board members that were available to attend. There was not a quorum of board members present.

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

The Board discussed the investment opportunity and after discussion,

MR. GESSNER MOVED AND MR. TOSO SECONDED TO ALLOCATE $30 MILLION TO THE INVESCO ASIAN REAL ESTATE FUND I. THE ASSETS WILL COME FROM THE SIB/INVESCO EXISTING US CORE RELATIONSHIP. A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

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

MOTION CARRIED
ABSENT: COMMISSIONER HAMM

Fiscal Year 2008 Investment Review - Mr. Steve Cochrane, Executive Director, reviewed performance results for fiscal year ending June 30, 2008.

A copy of his presentation is on file at RIO.

GOVERNANCE:

ADMINISTRATION

Manager Review Status Report - Mr. Cochrane reported that there are no managers on review.

Governance Manual Review/Section B - The Board reviewed and discussed their Carver Governance policies - Section B/Governance Process. The following action was taken:

Per Governance Process/Governing Style 5. A., Lt. Governor Dalrymple appointed Mr. Leingang as a mentor to Mr. Erdmann.

Exhibit B-1 will be updated and brought before the board at a later date for acceptance.

Rebalancing Revisited - Mr. Cochrane reviewed with the Board the rebalancing process that is followed by staff. After discussion, Lt. Governor requested it be reflected in the minutes that the methodology for how rebalancing is done by staff was reviewed and there were no objections at this time.

MONITORING:

The Board received the Pension and Insurance Callan quarterly investment measurement reports for the period ending June 30, 2008.

MR. CORNEIL MOVED AND MS. TERNES SECONDED TO APPROVE THE CALLAN QUARTERLY INVESTMENT MEASUREMET REPORTS FOR THE PERIOD ENDING JUNE 30, 2008.

AYES: MR. CORNEIL, MR. GESSNER, MR. SANDAL, MR. LEINGANG, MS. TERNES, MR. ENGLESON, MR. TOSO, LT. GOVERNOR DALRYMPLE, AND MR. ERDMANN
NAYS: NONE

MOTION CARRIED.
ABSENT: COMMISSIONER HAMM, TREASURER SCHMIDT

OTHER:

The next SIB meeting is scheduled for September 26, 2008 at 8:30 a.m. in the Ft. Union Room, State Capitol, Bismarck, ND.

The next SIB Audit Committee meeting is scheduled for September 26, 2008, at 1:00 p.m. in the Ft. Union, State Capitol, Bismarck, ND.

ADJOURNMENT:

With no further business to come before the Board, Lt. Governor Dalrymple adjourned the meeting at 12:40 p.m.

Respectfully Submitted:

Jack Dalrymple

Lt. Governor Dalrymple, Chair
State Investment Board

Bonnie Heit

Bonnie Heit
Reporting Secretary