

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
MAY 9, 2012 BOARD MEETING**

BOARD MEMBERS PRESENT: Drew Wrigley, Lt. Governor, Chair (teleconference)
Mike Sandal, Vice Chair
Clarence Corneil, TFFR Board (teleconference)
Levi Erdmann, PERS Board (teleconference)
Lance Gaebe, Land Commissioner
Mike Gessner, TFFR Board (teleconference)
Adam Hamm, Insurance Commissioner (teleconference)
Howard Sage, PERS Board (teleconference)
Kelly Schmidt, State Treasurer
Cindy Ternes, WSI (teleconference)

BOARD MEMBER ABSENT: Bob Toso, TFFR Board

STAFF PRESENT: Connie Flanagan, Fiscal & Investment Officer
John Geissinger, Executive Director/CIO
Bonnie Heit, Office Manager
Fay Kopp, Deputy Executive Director
Darren Schulz, Deputy CIO

OTHERS PRESENT: Bryan Klipfel, WSI (teleconference)
Jan Murtha, Attorney General's Office
Dave Thompson, Prairie Public Radio

CALL TO ORDER:

Lt. Governor Wrigley called the State Investment Board (SIB) meeting to order at 9:05 a.m. on Wednesday, May 9, 2012 at the Retirement and Investment Office, 1930 Burnt Boat Drive, Bismarck, ND.

A quorum was present for the purpose of conducting business.

The special board meeting was held to discuss Mr. Geissinger's resignation.

Mr. Geissinger stated he has thoroughly enjoyed his job and the people he has worked with. The challenges of being away from family have been much more difficult than he and his wife ever envisioned. Mr. Geissinger stated personally he knows it's the right decision but that doesn't make it easy. No one ever said doing the right thing is the easy thing. Mr. Geissinger thanked the Board for the opportunity to work with them and the staff.

Mr. Geissinger reflected on his tenure. The asset allocation studies were completed for the Public Employees Retirement System (PERS) and the Teachers' Fund for Retirement (TFFR). Some of the SIB's other contracted entities are also following suit and adopting the same framework. To manage the risk of the portfolios, there was a confirmed and increased commitment to real assets which provides increased diversification and protection of the portfolios against future inflation. Mr. Geissinger stated the SIB's asset allocation is up there on the cutting edge and where a lot of other plans are hoping to get to. The fixed income portfolio has been restructured in the Pension Trust to enhance the risk adjusted returns going forward. The monitoring process is in place to measure the risk adjusted performance of the portfolios. The Governance policies have been

improved as recommended by the performance audit. Lastly, the addition of Mr. Darren Schulz, Deputy Chief Investment Officer, has provided increased investment experience.

Mr. Geissinger thanked the board for everything that has been accomplished and that a large part of his heart is going to be filled with all the friends and colleagues that he has met in North Dakota.

Lt. Governor Wrigley thanked Mr. Geissinger for his time, stating Mr. Geissinger is a steady hand and the board has benefitted very much from his service particularly the educational sessions at the meetings, communications with the board and legislature, and his accessibility. Lt. Governor Wrigley stated he appreciates Mr. Geissinger's friendship and we are all going to miss him.

Treasurer Schmidt stated Mr. Geissinger leaves us in a very good place. She stated the board and staff are better for having him at the helm and the people of North Dakota have been very well served. Treasurer Schmidt stated she too will miss him as a friend, colleague, and teacher. He has taught her a lot in the past 18 months and wishes him nothing but the very best.

Mr. Geissinger read his letter of resignation:

It is with deep regret I must inform you of my decision to resign as Executive Director and Chief Investment Officer of the North Dakota Retirement and Investment Office. I have thoroughly enjoyed every moment serving the State Investment Board, and working with you and staff to ensure the investment portfolios are on a secure and stable path. I am confident the funds entrusted to you are well positioned and are in good hands.

While I have found this position professionally stimulating and rewarding, my wife has found the distance from family much more difficult than either of us envisioned. Anne and I have struggled with this decision, but have come to the conclusion it is best for our family to move back east. I will miss all of you.

I wish you all future success, and I will always have a special place in my heart for my friends and colleagues in North Dakota!

Respectively yours,
John W. Geissinger

TREASURER SCHMIDT MOVED AND MR. SANDAL SECONDED TO ACCEPT WITH GREAT REGRET THE RESIGNATION OF THE RETIREMENT AND INVESTMENT OFFICE EXECUTIVE DIRECTOR/CIO, MR. JOHN GEISSINGER, EFFECTIVE MAY 31, 2012.

AYES: COMMISSIONER GAEBE, TREASURER SCHMIDT, MR. SANDAL, COMMISSIONER HAMM, MR. CORNEIL, MS. TERNES, MR. GESSNER, MR. ERDMANN, MR. SAGE, AND LT. GOVERNOR WRIGLEY
NAYS: NONE

MOTION CARRIED

ABSENT: MR. TOSO

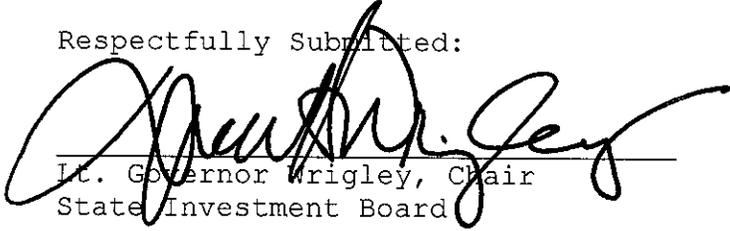
The Board discussed the next steps for finding a replacement and also who will be overseeing the Retirement and Investment Office in the interim. The Board will be discussing these items at the next SIB meeting on May 18, 2012.

ADJOURNMENT:

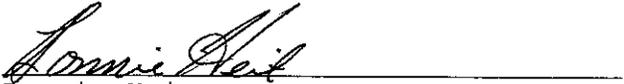
TREASURER SCHMDIT MOVED AND MR. SANDAL SECONDED TO ADJOURN THE MEETING.

Lt. Governor Wrigley adjourned the meeting at 9:25 a.m.

Respectfully Submitted:



Lt. Governor Wrigley, Chair
State Investment Board



Bonnie Heit
Assistant to the Board