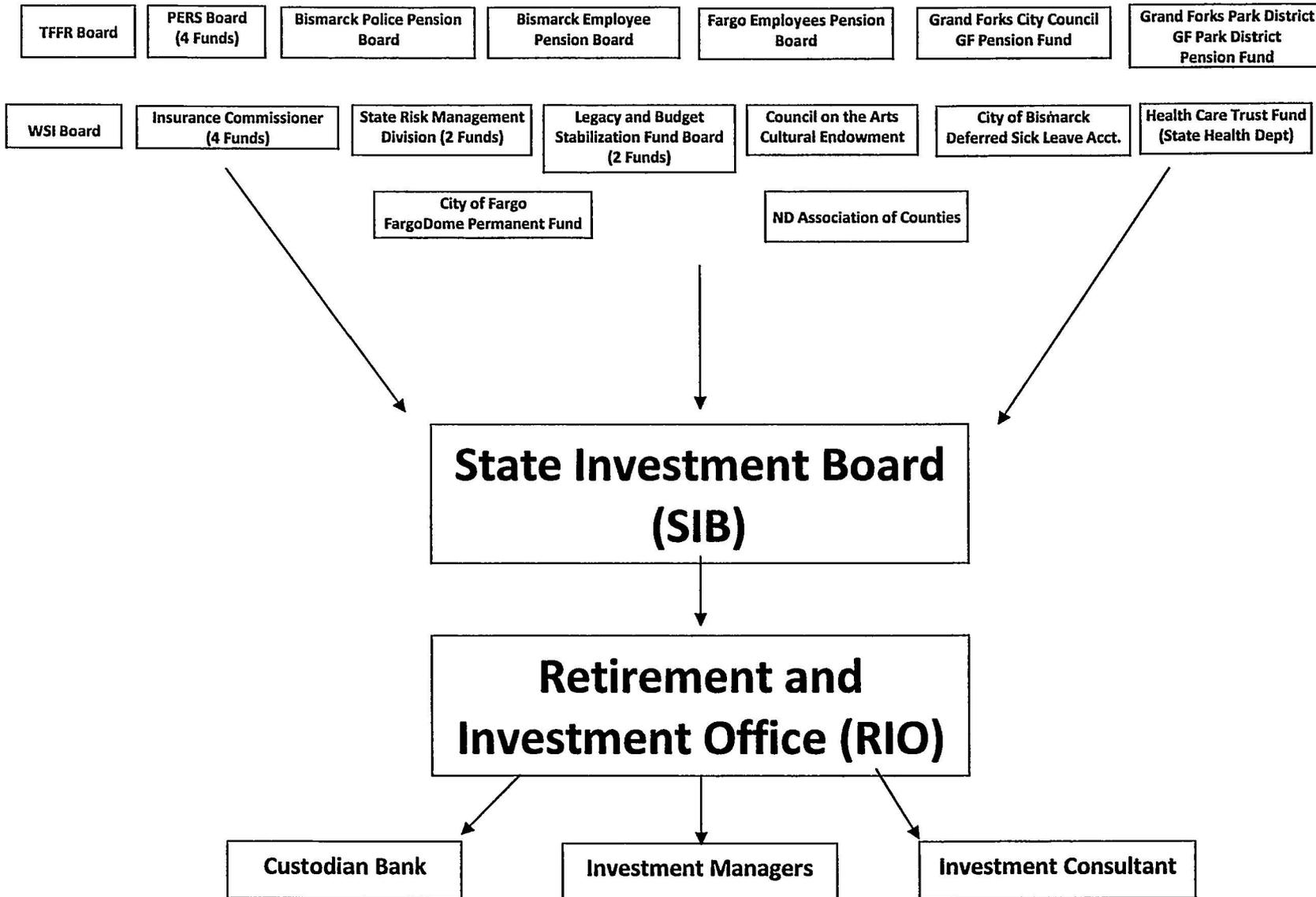


State Investment Board Process



State Investment Board Process

Client Responsibilities (Per NDCC 21-10-02.1)

The governing body of each fund (client) shall establish policies on investment goals and objectives and asset allocation that must include:

- Acceptable rates of return, liquidity and levels of risk
- Long-range asset allocation goals

State Investment Board Process

State Investment Board Responsibilities (Per NDCC 21-10)

- Implement client asset allocations
- Apply Prudent Investor Rule when investing for funds under its supervision
- Approve general types of securities for investment
- Set policies and procedures regulating securities transactions on behalf of the clients
- Select custodian servicer
- Select investment director and/or investment consulting service
- Create investment pools

State Investment Board Process

Retirement and Investment Office Staff Responsibilities (on behalf of SIB)

- Administer overall investment strategy
- Advise SIB on ways to maximize risk/return opportunities within each asset class
- Act as liaison between SIB and managers, consultant and custodian
- Monitor individual clients' investment guidelines and asset allocations
- Maintain separate accounting for client accounts

State Investment Board Process

Investment Manager Responsibilities

- Implement specific mandates or “investment missions”
- Make buy/sell decisions based on investment guidelines
- Report to RIO Staff on regular basis
- Provide education to SIB

State Investment Board Process

Custodian Bank Responsibilities

- Safe-keep assets
- Settle trades
- Record-keeper

State Investment Board Process

Investment Consultant Responsibilities

- Performance measurement of investment managers
- Manager search assistance
- Provide education to SIB
- Special projects