

Retirement and Investment Office: Investment Climate Update

Employee Benefits Program Committee

April 28, 2016

Darren Schulz, Deputy Chief Investment Officer

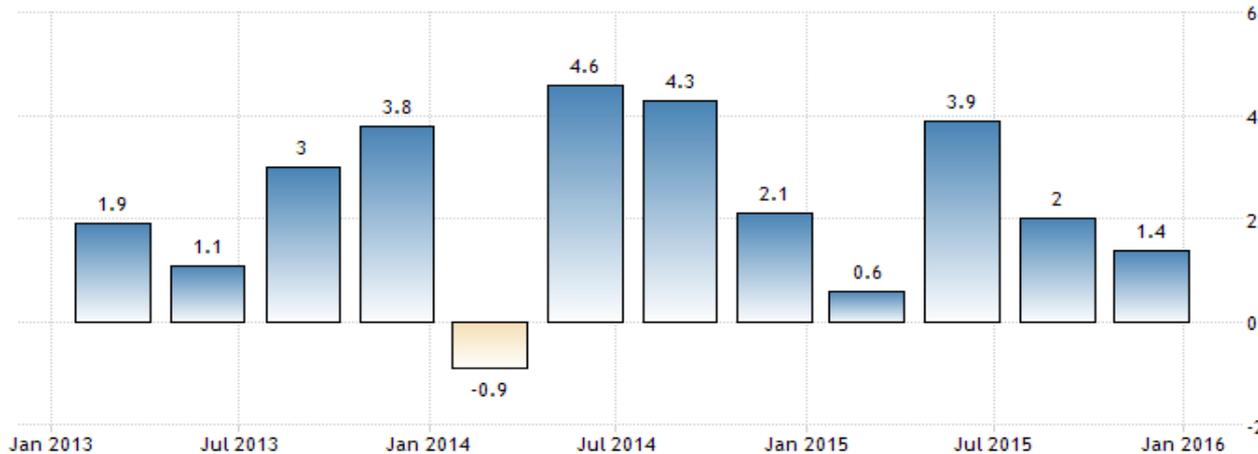
Dave Hunter, Executive Director / CIO

ND Retirement & Investment Office (RIO)

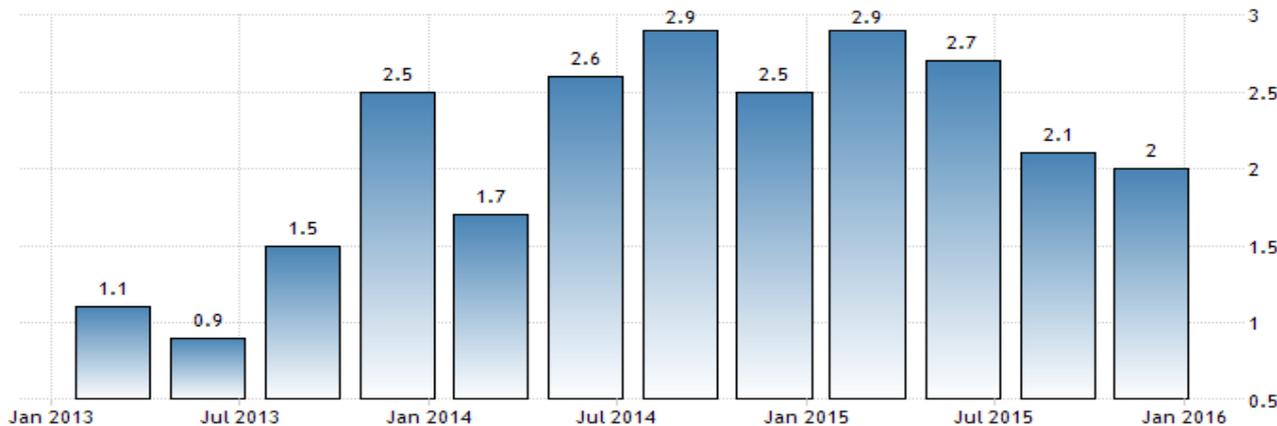
State Investment Board (SIB)

U.S. GDP “Annual” Growth Rates are Modest at 2%

US GDP GROWTH RATE



US GDP ANNUAL GROWTH RATE



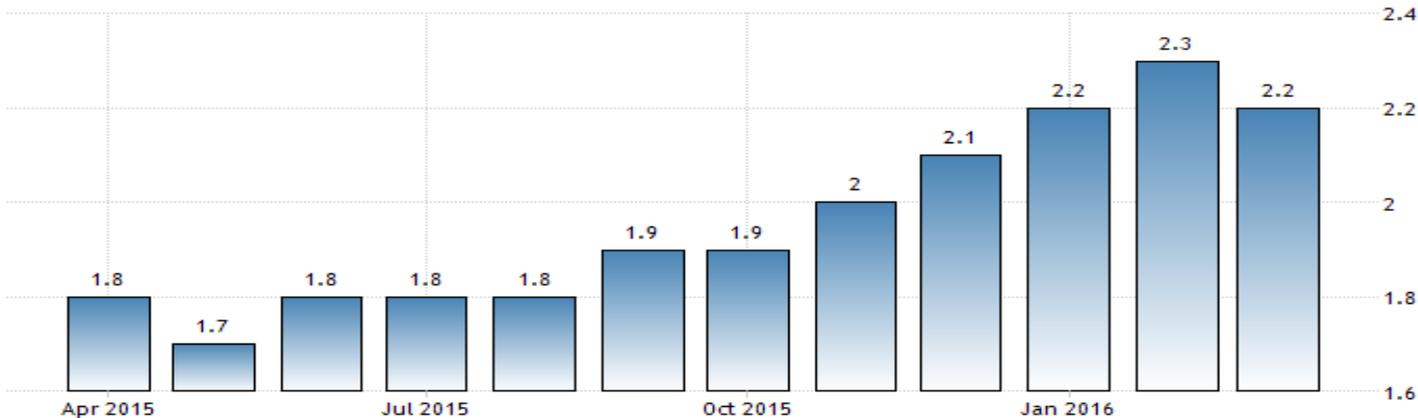
SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS

▶ Quarterly GDP Growth Rates (top chart) have been volatile as evidenced by low or negative growth rates in the 1st quarter of recent years largely attributed to poor weather conditions.

▶ Annual GDP Growth Rates (bottom chart) minimize the impact of seasonal weather conditions and display a more consistent and moderate growth rate of about 2% over the past year.

U.S. Core Inflation Rates are Generally Trending Up

US CORE INFLATION RATE

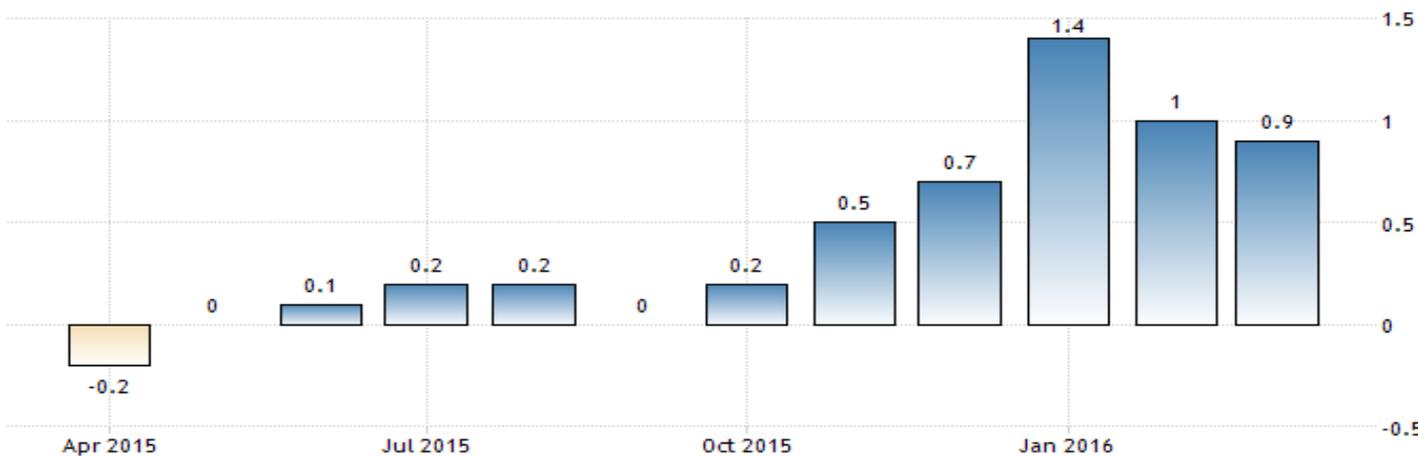


SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

U.S. Core Inflation:

The U.S. core inflation rate (top chart) tracks changes in prices that consumers pay for a basket of goods which excludes volatile food and fuel costs.

US INFLATION RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

U.S. Inflation Rate:

The unadjusted U.S. Consumer Price Index for All Urban Consumers (bottom chart) is based on the prices of a market basket of: food (14%), energy (9.3%), commodities (19.4%) and services (57.3%).

U.S Labor Market Conditions are Generally Improving

US UNEMPLOYMENT RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Overview:

U.S. Labor Market conditions have been steadily improving since the unemployment rate peaked at 10% in October of 2009 (as shown in the top 10-year chart).

US UNEMPLOYMENT RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

As shown in the bottom chart, U.S. Unemployment Rate has trended downward over the past 15 months, although it did increase from 4.9% to 5.0% last month.

Global GDP Growth Rates are Modest

	Actual 2012-2014	Actual 2015	Forecast 2016	Projected 2016-2020	Trend 2021-2025
United States	2.0	2.4	2.0	2.0	1.6
Europe*	0.4	1.8	1.9	2.1	1.7
of which: Euro Area	-0.2	1.5	1.7	1.9	1.5
Japan	1.1	0.6	1.0	1.4	1.6
Other mature**	2.6	1.9	2.1	3.2	2.7
Mature Economies	1.4	1.9	1.9	2.1	1.8
China	4.1	3.7	3.7	4.5	3.6
India	6.0	7.0	6.3	6.0	5.5
Other developing Asia	5.2	4.5	4.2	4.6	4.2
Latin America	1.8	-0.8	-0.4	2.5	2.4
of which: Brazil	1.2	-3.7	-3.0	2.2	2.3
of which: Mexico	2.5	2.5	2.5	2.7	2.5
Middle East & North Africa	2.3	2.9	2.2	2.3	2.2
Sub-Saharan Africa	4.6	3.2	3.7	5.0	5.2
Russia, Central Asia and Southeast Europe***	2.6	-0.7	0.4	2.4	2.3
Emerging & Developing	3.8	2.9	3.0	4.0	3.6
World Total	2.6	2.4	2.5	3.1	2.8

- ▶ Global GDP Growth Rates have declined from:
 - ▶ 2.6% in 2012-to-2014 to
 - ▶ 2.4% in 2015, but increase to
 - ▶ 3.1% in 2016 to 2020 and fall to
 - ▶ 2.8% in 2021 to 2025.
- ▶ Global GDP Growth in the Emerging and Developing Economies (3% to 4%) is expected to outpace the U.S. and Mature Economies (2%) over the next decade.

Key Take-Away: World GDP growth rates continue to show positive trends (+2.5% to 3.1%) albeit at slower rates than in prior decades.

* Europe includes all 28 members of the European Union, as well as Iceland, Switzerland and Norway.

** Other advanced economies are Australia, Canada, Israel, Hong Kong, South Korea, New Zealand, Singapore, and Taiwan Province of China.

*** Southeast Europe includes Albania, Bosnia and Herzegovina, Macedonia, Serbia and Montenegro, and Turkey.

Historical Asset Class Returns – As of 12/31/2015 and 3/31/2016

Asset Class	Benchmark	Period Ended December 31, 2015			
		1-Year	3-Years	5-Years	10-Years
Broad Market Index	S&P 500	1.38%	15.13%	12.57%	7.31%
Large Cap US Stocks	Russell 1000	0.92%	15.01%	12.44%	7.40%
Small Cap US Stocks	Russell 2000	-4.41%	11.65%	9.19%	6.80%
Non-US Stocks (Developed)	MSCI EAFE	-0.81%	5.01%	3.60%	3.03%
Non-US Stocks (Emerging)	MSCI Emerging Markets	-14.60%	-6.42%	-4.47%	3.95%
US Bonds	Barclays Aggregate	0.55%	1.44%	3.25%	4.51%
High Yield Bonds	Barclays Corporate High Yield	-4.47%	1.69%	5.04%	6.96%
Non-US Debt	Citi Non-US World Govt	-5.54%	-4.27%	-1.30%	3.05%
Energy Sector	Alerian MLP	-32.59%	-3.40%	1.47%	8.74%
Real Estate	NCREIF	13.33%	12.04%	12.18%	7.76%

Asset Class	Benchmark	March 2016	Period Ended March 31, 2016			
			1-Year	3-Years	5-Years	10-Years
Broad Market Index	S&P 500	6.78%	1.78%	11.82%	11.58%	7.01%
Large Cap US Stocks	Russell 1000	6.97%	0.50%	11.52%	11.35%	7.06%
Small Cap US Stocks	Russell 2000	7.98%	-9.76%	6.84%	7.20%	5.26%
Non-US Stocks (Developed)	MSCI EAFE	6.51%	-8.27%	2.23%	2.29%	1.80%
Non-US Stocks (Emerging)	MSCI Emerging Markets	13.23%	-12.03%	-4.50%	-4.13%	3.02%
US Bonds	Barclays Aggregate	0.92%	1.96%	2.50%	3.78%	4.90%
High Yield Bonds	Barclays Corporate High Yield	4.44%	-3.69%	1.84%	4.93%	7.01%
Energy Sector	Alerian MLP	8.32%	-31.83%	-10.31%	-0.55%	7.67%

Year Ended 12/31/15 and 3/31/16:

Slowing global growth rates in the developed & emerging economies (including China which is the world's 2nd largest economy behind the U.S.) have put downward pressure on the global investment climate over the past year. Given this backdrop, investment returns have been disappointing for the year ended Dec. 31, 2015 and March 31, 2016, with U.S. Stocks & Bonds earning less than 2%, while International Equity and Bond returns were negative (grey shading). Real Estate was the best performing sector in 2015 (up 13.3%).

March Update:

Investment returns improved sharply in March with most major indices reporting impressive gains (blue shading in bottom chart) ranging from 6% to 8% for U.S. and International Equities and 13% in the Emerging Markets.

High Yield Bonds and the Energy Sector also improved posting gains of over 4% and 8%, respectively, in March.

Retirement and Investment Office: Current Status of PERS & TFFR Investments

Employee Benefits Program Committee

April 28, 2016

Darren Schulz, Deputy Chief Investment Officer

Dave Hunter, Executive Director / CIO

ND Retirement & Investment Office (RIO)

State Investment Board (SIB)

Executive Summary: PERS and TFFR Investment Overview

PERS and TFFR net returns were 0.53% and 0.64%, respectively, for the year ended December 31, 2015.

- Real estate and timber were the best performing sectors in the past year generating returns of 15% and 5%, respectively. U.S. equity and fixed income generated modest returns of 1.6% and 0.4%, respectively, while international equity (down 1%), international debt (down 7%) and private equity (down 8%) were the three worst performing sectors for the PERS and TFFR portfolios.
- Asset allocation decisions are generally the # 1 driver of investment returns although active management is important and has generated \$20 million of income for TFFR and PERS in 2015. Active management has enhanced TFFR and PERS returns by over \$90 million in the last 5-years.

PERS and TFFR's net investment returns have generally outperformed most other U.S. public pension plans.

- Despite the disappointing results, PERS and TFFR net returns were ranked in the 33rd and 34th percentile, respectively, for the 5-years ended December 31, 2015. This peer group comparison is based on Callan's U.S. Public Pension Database for plans which reported net investment results.

Portfolio volatility (or risk), as measured by standard deviation, has declined significantly in recent years.

- The standard deviation of the PERS & TFFR portfolios has declined during the past decade and resides in the 3rd quartile as of Dec. 31, 2015 (noting that a lower standard deviation is preferred). The plans have been able to generate above average returns while employing less risk than most other plans .

RIO regularly meets with our investment advisors to ensure we obtain competent and prudent professional investment services at a competitive price.

- Investment fees as a % of assets declined by 10% in the Pension Trust during the last fiscal year.

PERS & TFFR – December 2015 Performance Update

	<u>1 Yr Ended</u> <u>12/31/2015</u>	<u>3 Yrs Ended</u> <u>12/31/2015</u>	<u>5 Yrs Ended</u> <u>12/31/2015</u>	<u>Risk</u> <u>5 Yrs Ended</u> <u>12/31/2015</u>
PERS (Main Plan)				
Total Fund Return - Net	0.53%	7.49%	6.93%	7.83%
Policy Benchmark Return	0.06%	6.66%	6.51%	7.43%
Excess Return	0.47%	0.83%	0.42%	105%
TFFR				
Total Fund Return - Net	0.64%	7.60%	6.90%	8.3%
Policy Benchmark Return	0.15%	6.74%	6.22%	8.0%
Excess Return	0.49%	0.86%	0.69%	105%

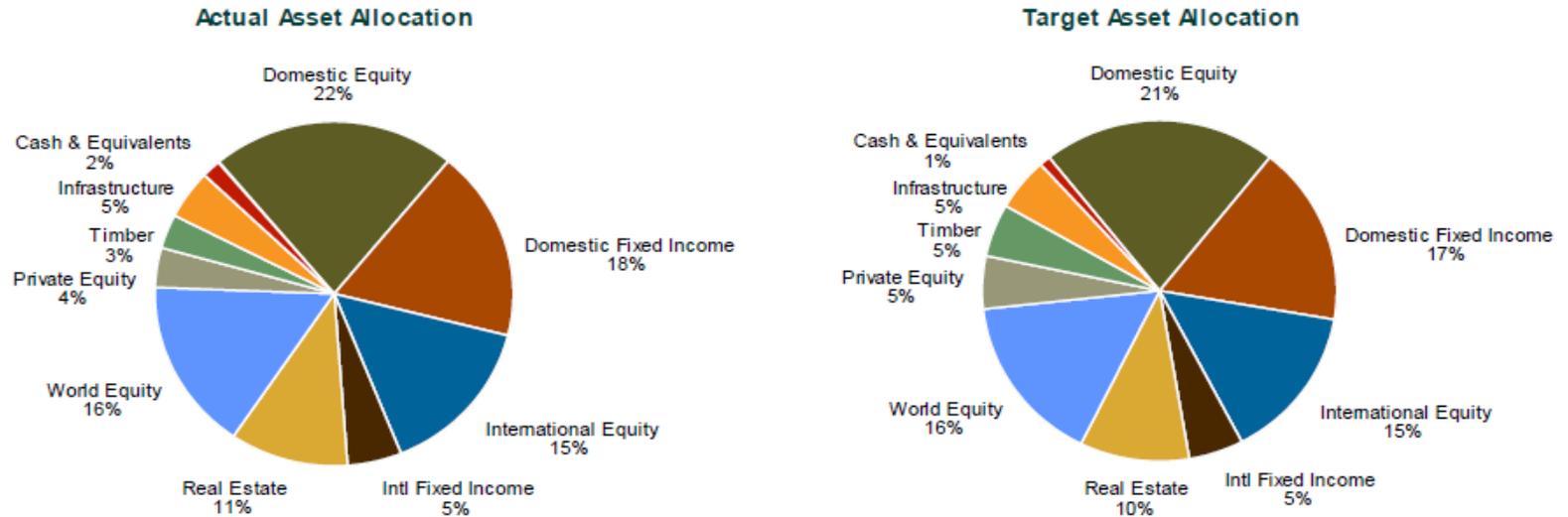
Pension Trust:

- **“Excess Return”** is defined as the actual investment return (after deducting investment fees) over the expected return of the underlying investment policy or benchmark (i.e. a passive index).
- **Active management has generated over \$20 million of incremental income** (after fees) for PERS & TFFR last year. This is based on \$4.4 billion of assets and **Excess Return of 0.47%** (\$4.4 billion x 0.47% = \$20.7 million).
- **These strong returns have been achieved while reducing overall investment risk**, as measured by standard deviation, during the past 10 years. Standard deviation measures the amount of variation or dispersion from the average.

Note: Data as of 12/31/2015 is unaudited and subject to change.

PERS - Actual Asset Allocations within 1% to 2% of Targets

As of December 31, 2015



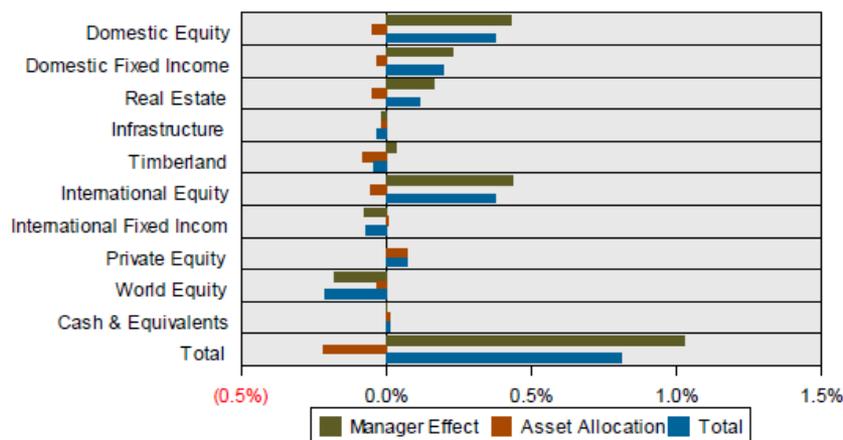
Source:
Callan
Associates

Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	525,261	22.1%	21.4%	0.7%	17,777
Domestic Fixed Income	424,168	17.9%	17.0%	0.9%	21,027
International Equity	355,949	15.0%	14.6%	0.4%	9,722
Intl Fixed Income	115,049	4.9%	5.0%	(0.1%)	(3,522)
Real Estate	254,893	10.7%	10.0%	0.7%	17,751
World Equity	381,946	16.1%	16.0%	0.1%	2,519
Private Equity	88,043	3.7%	5.0%	(1.3%)	(30,528)
Timber	76,247	3.2%	5.0%	(1.8%)	(42,323)
Infrastructure	109,140	4.6%	5.0%	(0.4%)	(9,431)
Cash & Equivalents	40,723	1.7%	1.0%	0.7%	17,009
Total	2,371,419	100.0%	100.0%		

PERS Performance and Attribution

As of December 31, 2015

One Year Relative Attribution Effects



Performance Overview:

U.S. Equity and Fixed Income returns were modest at 1.6% and 0.4%, respectively, while International Debt and Equity Returns along with Private Equity were down 1.4%, 7.2% and 8.2%, respectively.

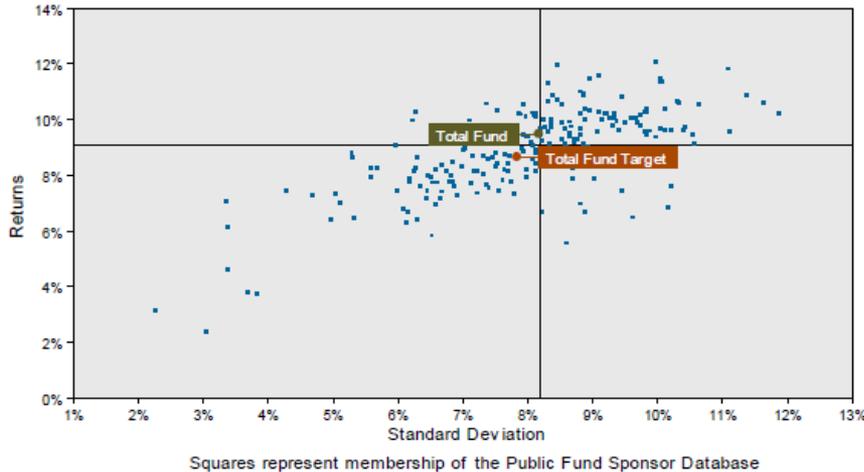
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return	
Domestic Equity	23%	21%	1.62%	(0.25%)	0.43%	(0.05%)	0.38%	
Domestic Fixed Income	18%	17%	0.41%	(0.89%)	0.23%	(0.03%)	0.20%	
Real Estate	10%	10%	15.26%	13.33%	0.16%	(0.05%)	0.12%	
Infrastructure	4%	5%	(0.02%)	0.38%	(0.01%)	(0.02%)	(0.03%)	
Timberland	4%	5%	5.68%	4.97%	0.04%	(0.08%)	(0.04%)	
International Equity	15%	15%	(1.43%)	(4.28%)	0.43%	(0.06%)	0.38%	
International Fixed Income	5%	5%	(7.24%)	(6.02%)	(0.08%)	0.01%	(0.07%)	
Private Equity	4%	5%	(8.23%)	(8.23%)	0.00%	0.07%	0.07%	
World Equity	16%	16%	(1.97%)	(0.87%)	(0.18%)	(0.03%)	(0.21%)	
Cash & Equivalents	1%	1%	0.11%	0.05%	0.00%	0.01%	0.01%	
Total			0.85%	0.04%	+	1.03%	+	(0.22%)
								0.81%

PERS Performance and Attribution

As of December 31, 2015

Five and One-Half Year Annualized Risk vs Return



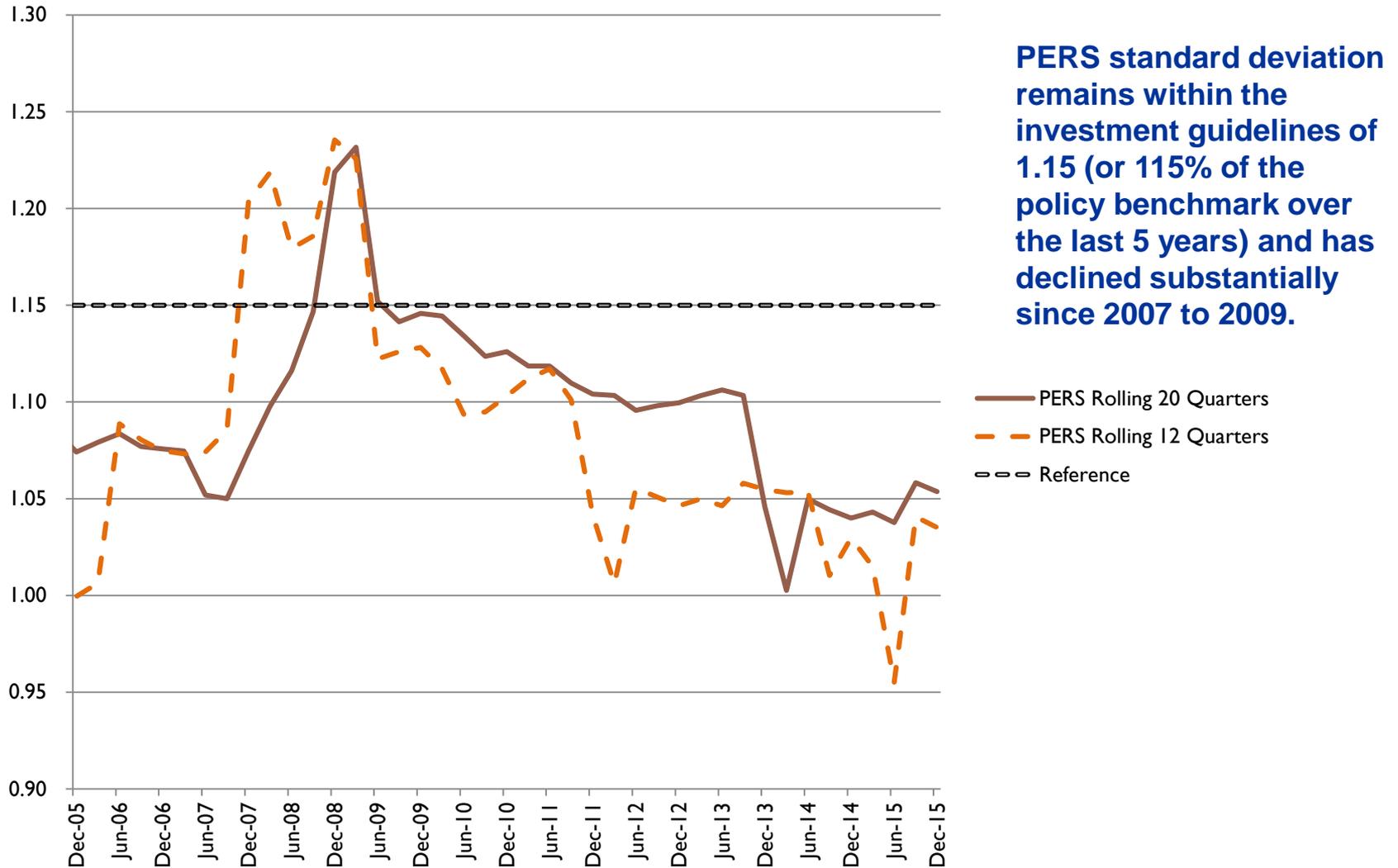
Performance Overview:

During the last 5-1/2 years, PERS generated a Callan “Actual Return” of 9.46% which exceeded the “Target Return” of the investment benchmarks by a meaningful amount (0.82%).

Five and One-Half Year Annualized Relative Attribution Effects

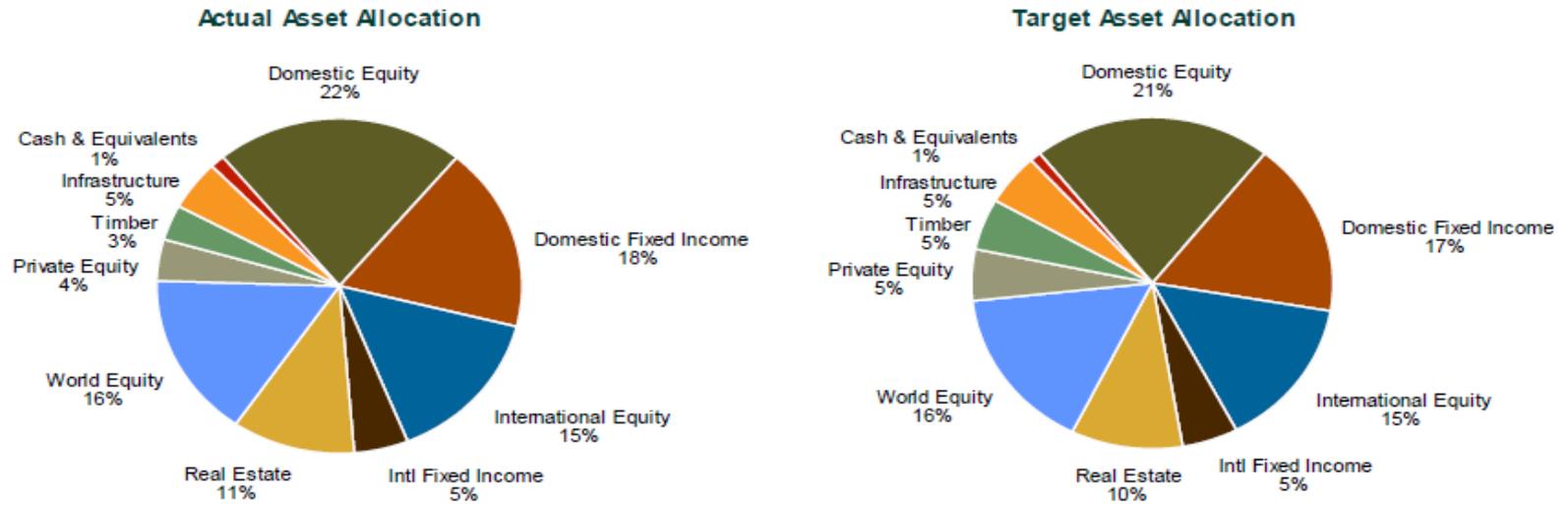
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	28%	27%	15.81%	15.23%	0.08%	0.11%	0.18%
Domestic Fixed Income	20%	20%	5.81%	4.13%	0.28%	(0.05%)	0.23%
Real Estate	9%	9%	15.65%	12.70%	0.21%	0.01%	0.23%
Timber	4%	4%	-	-	(0.27%)	(0.06%)	(0.33%)
Infrastructure	3%	4%	-	-	0.16%	0.09%	0.25%
International Equity	16%	16%	7.09%	4.88%	0.33%	(0.07%)	0.27%
International Fixed Income	5%	5%	2.84%	0.87%	0.11%	(0.01%)	0.10%
Private Equity	5%	5%	3.76%	3.76%	0.00%	(0.05%)	(0.05%)
World Equity	10%	10%	-	-	0.01%	(0.05%)	(0.03%)
Cash & Equivalents	1%	1%	0.09%	0.08%	0.00%	(0.02%)	(0.02%)
Total			9.46%	= 8.64%	+ 0.91%	+ (0.09%)	0.82%

Relative Standard Deviation Relative to Policy Benchmark 10 Years Ended 12/31/2015



TFFR - Actual Asset Allocations within 1% to 2% of Targets

As of December 31, 2015



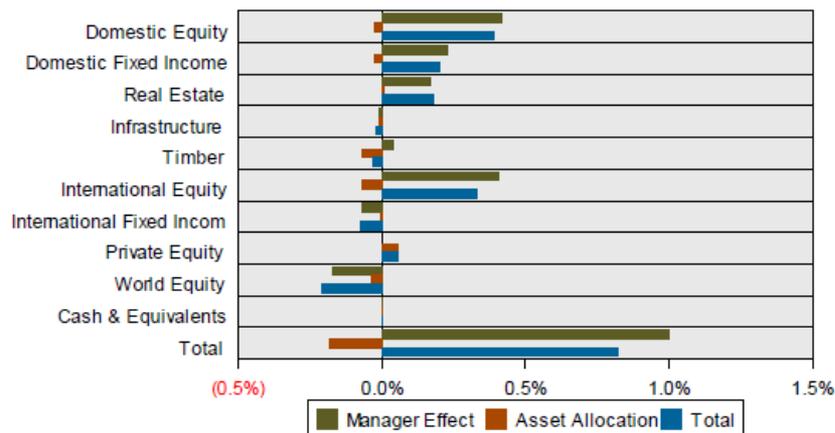
Source:
Callan
Associates

Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	451,887	22.2%	21.4%	0.8%	16,128
Domestic Fixed Income	361,670	17.8%	17.0%	0.8%	15,506
International Equity	304,547	15.0%	14.6%	0.4%	7,253
Intl Fixed Income	97,532	4.8%	5.0%	(0.2%)	(4,281)
Real Estate	222,901	10.9%	10.0%	0.9%	19,275
World Equity	324,514	15.9%	16.0%	(0.1%)	(1,287)
Private Equity	80,813	4.0%	5.0%	(1.0%)	(21,000)
Timber	69,159	3.4%	5.0%	(1.6%)	(32,654)
Infrastructure	97,718	4.8%	5.0%	(0.2%)	(4,095)
Cash & Equivalents	25,519	1.3%	1.0%	0.3%	5,156
Total	2,036,260	100.0%	100.0%		

TFFR Performance and Attribution

As of December 31, 2015

One Year Relative Attribution Effects



Performance Overview:

U.S. Equity and Fixed Income returns were modest at 1.6% and 0.4%, respectively, while International Debt and Equity Returns along with Private Equity were down 0.9%, 7.2% and 8.2%, respectively.

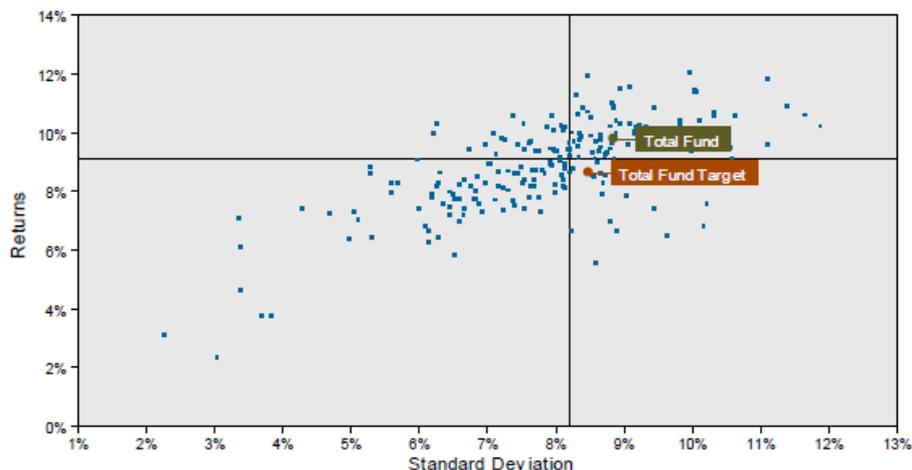
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return	
Domestic Equity	22%	21%	1.61%	(0.25%)	0.42%	(0.02%)	0.39%	
Domestic Fixed Income	18%	17%	0.39%	(0.89%)	0.23%	(0.03%)	0.20%	
Real Estate	10%	10%	15.26%	13.33%	0.17%	0.01%	0.18%	
Infrastructure	5%	5%	(0.02%)	0.38%	(0.01%)	(0.01%)	(0.02%)	
Timber	4%	5%	5.70%	4.97%	0.04%	(0.07%)	(0.03%)	
International Equity	15%	15%	(0.94%)	(3.59%)	0.40%	(0.07%)	0.33%	
International Fixed Income	5%	5%	(7.24%)	(6.02%)	(0.07%)	(0.00%)	(0.07%)	
Private Equity	4%	5%	(8.23%)	(8.23%)	0.00%	0.05%	0.05%	
World Equity	16%	16%	(1.97%)	(0.87%)	(0.17%)	(0.04%)	(0.21%)	
Cash & Equivalents	1%	1%	0.11%	0.05%	0.00%	0.00%	0.00%	
Total			0.96%	0.14%	+	1.00%	+	(0.18%)
								0.82%

TFFR Performance and Attribution

As of December 31, 2015

Five and One-Half Year Annualized Risk vs Return



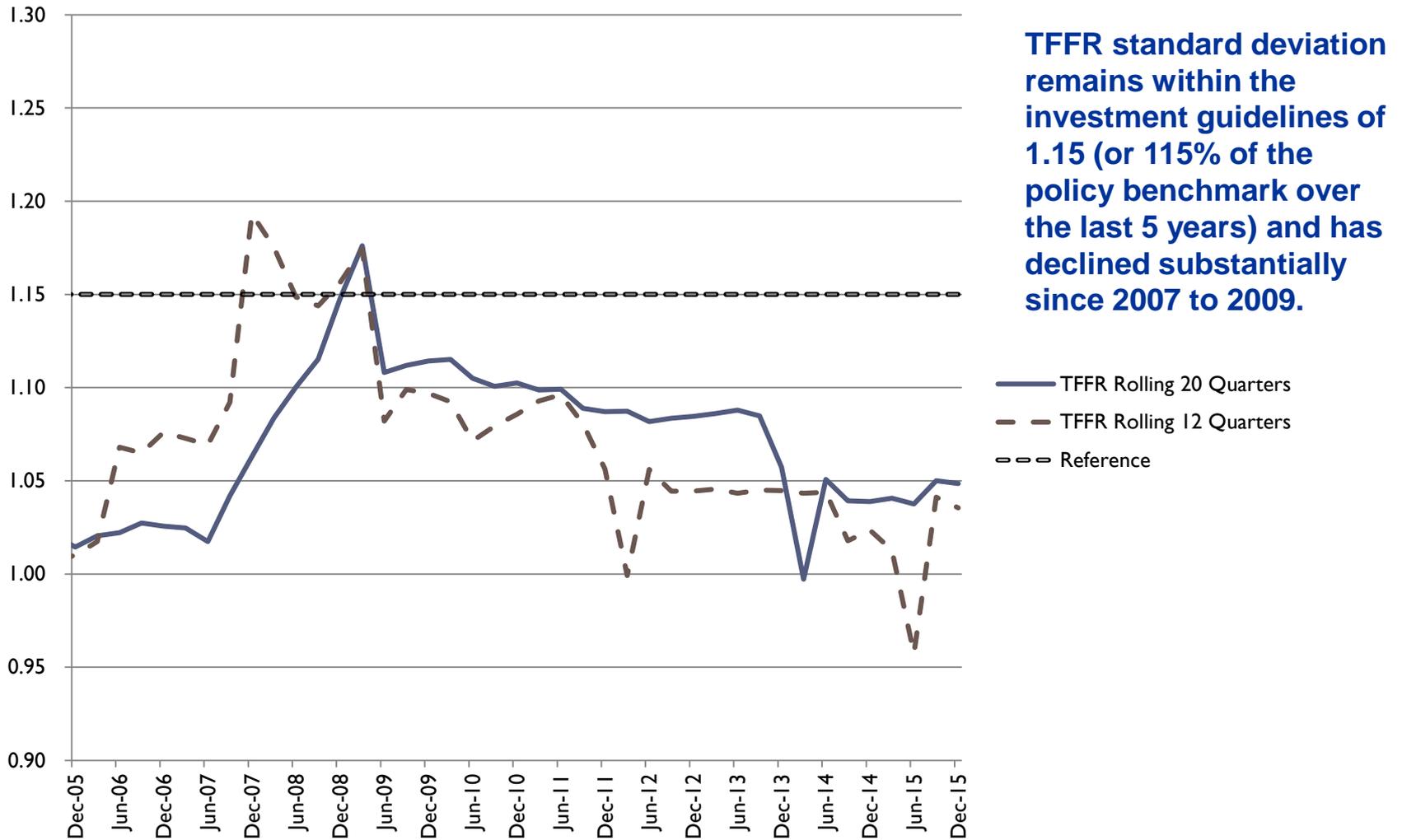
Performance Overview:

During the last 5-1/2 years, TFFR generated a Callan “Actual Return” of 9.77% which exceeded the “Target Return” of the investment benchmarks by a meaningful amount (1.15%).

Five and One-Half Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	28%	27%	15.82%	15.22%	0.09%	0.10%	0.18%
Domestic Fixed Income	18%	17%	5.83%	4.16%	0.29%	(0.03%)	0.26%
Real Estate	10%	10%	15.65%	12.70%	0.27%	0.03%	0.30%
Timber	4%	4%	-	-	(0.26%)	(0.01%)	(0.27%)
Infrastructure	3%	4%	-	-	0.16%	0.11%	0.28%
International Equity	18%	18%	7.33%	5.19%	0.40%	(0.03%)	0.38%
International Fixed Income	5%	5%	2.84%	0.87%	0.11%	(0.01%)	0.10%
Private Equity	5%	5%	3.79%	3.79%	0.00%	(0.04%)	(0.04%)
World Equity	10%	10%	-	-	0.01%	(0.05%)	(0.03%)
Cash & Equivalents	1%	1%	0.09%	0.08%	0.00%	(0.01%)	(0.01%)
Total			9.77%	8.63%	+ 1.07%	+ 0.07%	1.15%

Relative Standard Deviation Relative to Policy Benchmark 10 Years Ended 12/31/2015



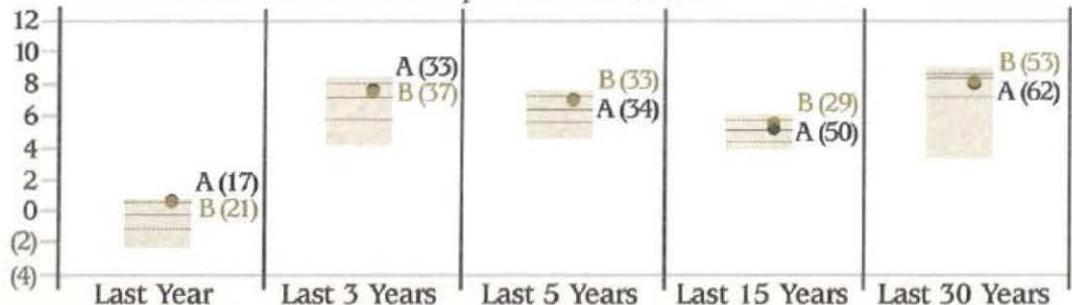
TFFR and PERS Peer Performance

TFFR and PERS net investment returns have outperformed most other U.S. public pension plans over the last 5-years.

TFFR and PERS net returns have generally outperformed other U.S. public pension plans for the 1, 3, and 5 year periods ended December 31, 2015. This peer group comparison is based on Callan's U.S. Public Pension Database for plans which report net investment returns. The bar chart highlights net investment returns of over 100 peers noting that TFFR (A) was ranked in the 34th percentile, while PERS (B) was ranked in the 33rd percentile, for the "Last 5 Years." As a result, TFFR and PERS net investment return outperformed 66% and 67% of the other public pension plans during this period. The SIB and RIO have historically placed greater emphasis on 5 year performance metrics as shorter time periods may be overly impacted by one or two quarters of abnormal returns which are not reflective of longer-term strategic return expectations. Please note

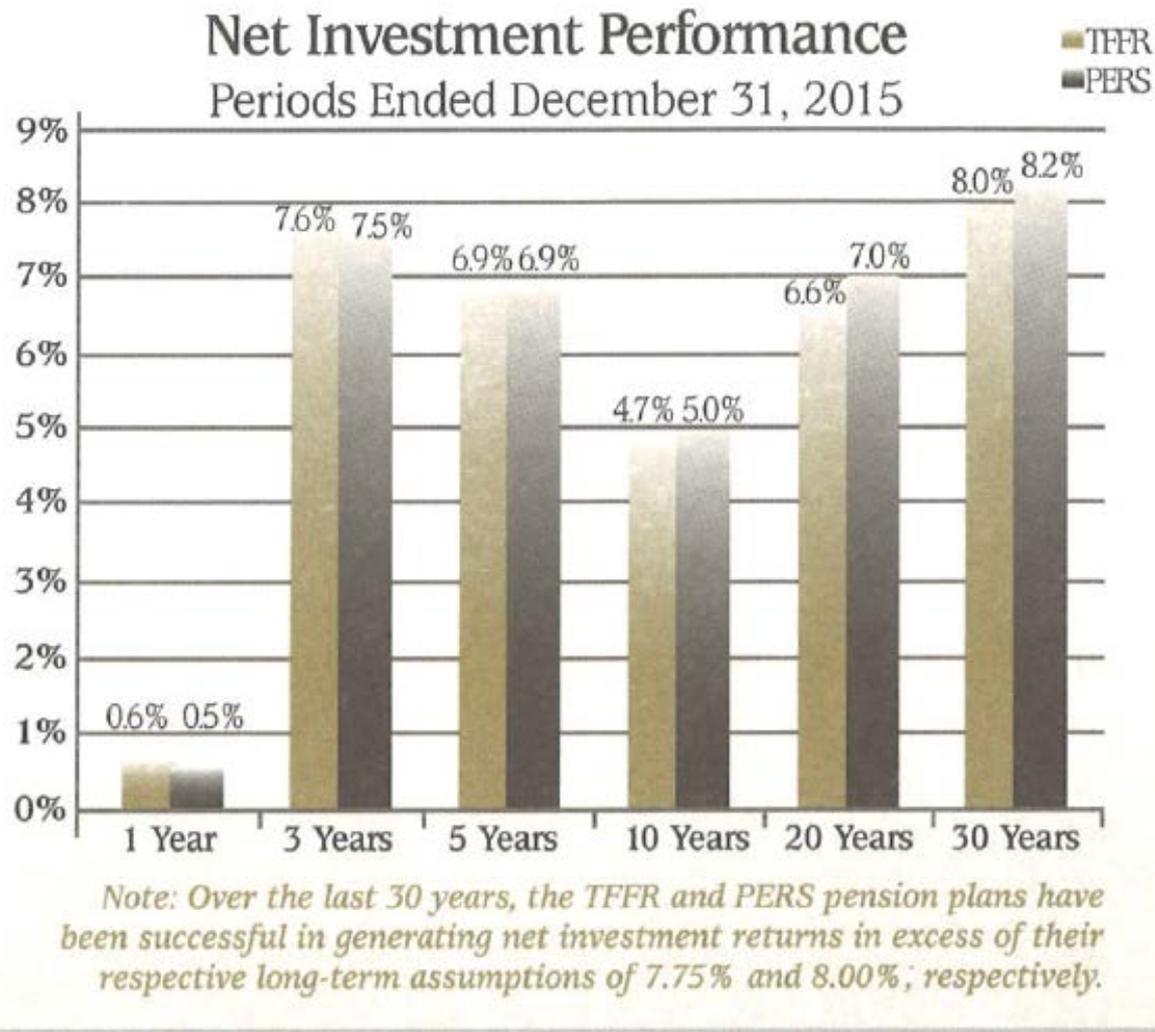
that the "Member Count" of only 10 for the "Last 30 Years" makes it less meaningful than the other reporting periods in which the "Member Count" is 70 or more. The chart is based on unaudited valuations which are deemed to be materially accurate. RIO's financial results are audited annually with a June 30 fiscal year end.

Net of Fee Returns for Periods Ended December 31, 2015
Callan Public Fund Sponsor Database



	Last Year	Last 3 Years	Last 5 Years	Last 15 Years	Last 30 Years
10th Percentile	0.8	8.4	7.6	6.2	9.1
25th Percentile	0.5	7.9	7.3	5.8	8.6
Median	(0.3)	7.0	6.4	5.1	8.3
75th Percentile	(1.1)	5.6	5.7	4.4	7.2
90th Percentile	(2.4)	4.1	4.5	3.8	3.4
Member Count	135	123	103	70	10
Total Fund-TFFR ●A	0.6	7.6	6.9	5.2	8.0
Total Fund-PERS ●B	0.5	7.5	6.9	5.6	8.2

TFFR and PERS net investment returns have exceeded their actuarial rate of return assumptions over the last 30 years.



Appendix – EBPC Presentation (April 2016)

- ▶ State Investment Board members
- ▶ Retirement and Investment Office - Background
- ▶ State Investment Board Process
- ▶ North Dakota Century Code 21-10 State Investment Board
- ▶ SIB Client Assets and Investment Performance – Dec. 31, 2015
- ▶ Listing of Consulting and Professional Service Firms
- ▶ Transparency Enhancement Update (RIO Website)
- ▶ Contact Information
- ▶ Current Fiscal YTD Returns for PERS and TFFR (Verbal Update)

Note: Land Board net investment returns for the 1-, 3- and 5-years ended Dec. 31, 2015, were approximately -4.6%, +4.2% and +5.2%, respectively. Investment return comparisons between state agencies is of limited value due to significantly different return and risk expectations and widely varying asset allocation targets.

State Investment Board Members – April 25, 2016

The SIB includes 11 members with Lieutenant Governor Drew Wrigley serving as Chairman and includes State Treasurer Kelly Schmidt, the Commissioner of University and School Lands Lance Gaebe, the Director of Workforce Safety and Insurance designee Cindy Ternes, the Insurance Commissioner Adam Hamm, plus three TFFR board members and three PERS board members.

The TFFR representatives include Michael Gessner, Rob Lech and Mel Olson noting that Mr. Lech also serves as the board parliamentarian.

The PERS representatives include Mike Sandal, Tom Trenbeath and Yvonne Smith noting that Mr. Sandal also serves as *Vice Chairman* of the SIB.

North Dakota Retirement & Investment Office – Background

RIO is an agency of the State of North Dakota. The agency was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of two important long-standing state programs – the retirement program of the Teachers' Fund for Retirement (TFFR) and the investment program of the State Investment Board (SIB).

The SIB is responsible for setting policies and procedures guiding the investment of over \$10.7 billion in assets for seven pension funds and 16 other insurance-type funds. Their investments are divided into two investment trust funds and two individual investment accounts. Individual investment guidelines for each fund can be found in the Investment Section. These guidelines include goals and objectives, risk tolerance, liquidity constraints, asset allocation and portfolio restrictions specific to each fund's unique circumstances. When creating investment pools to implement the asset allocations for each client fund, the SIB takes all of these guidelines into consideration in order to best meet the objectives of each fund and safeguard fund assets.

The pension investment pool is made up of only qualified pension funds whose monies must be invested exclusively for the benefit of their participants. The insurance investment pool is made up of mainly insurance-type funds, but also includes other funds that do not qualify as pension funds and would like to benefit from the cost savings of being pooled with other funds' assets. All of these funds are invested in accordance with the "Prudent Investor Rule."

An important aspect of the prudent investor rule is that individual investments are considered not in isolation but in the context of the trust portfolio as a whole. Some new opportunities may appear risky when viewed alone. However, when part of a diversified mix of investments in stocks, bonds and other assets, they can increase returns often without increasing the overall portfolio risk and, in some cases, may help decrease the overall portfolio's risk.

North Dakota Retirement & Investment Office – Pools

The pension investment pool was created in July 1989 with the pooling of selected investments of TFFR and the Public Employees Retirement System (PERS). Assets from the City of Bismarck Employees and Police pension funds were added later that same fiscal year. In April 1994, Job Service of North Dakota made their initial contribution to the pool. The City of Fargo Employees pension plan joined the pension pool in December 2007 and the City of Grand Forks Employees pension plan in May 2009. Most recently, the Grand Forks Park District pension plan began participating in the pension pool in December 2009. The City of Fargo Employees pension plan withdrew the bulk of their assets from the SIB in December 2013. Their balance at June 30, 2015, represents residual cash needed to pay final expenses.

The insurance investment pool began in December 1993 with the pooling of the assets of the WSI, Fire and Tornado, Bonding, Insurance Regulatory, and Petroleum Tank Release funds.

Other additions to this pool have occurred as follows:

- The Risk Management Fund was added in October 1996.
 - Two North Dakota Association of Counties (NDACo) funds were added during fiscal year 1999, in January and March.
 - The City of Bismarck Deferred Sick Leave and PERS Group Insurance funds were both added in July 1999.
 - The City of Fargo FargoDome Permanent Fund was added in October 2002.
 - The Risk Management Workers Compensation Fund was added in October 2003.
 - The Cultural Endowment Fund was added by the 2005 legislature and funded in July 2005.
 - The Budget Stabilization Fund joined the pool in September 2005 upon reaching statutorily designated levels.
 - The State Board of Medical Examiners Fund joined the pool in April, 2014.
-

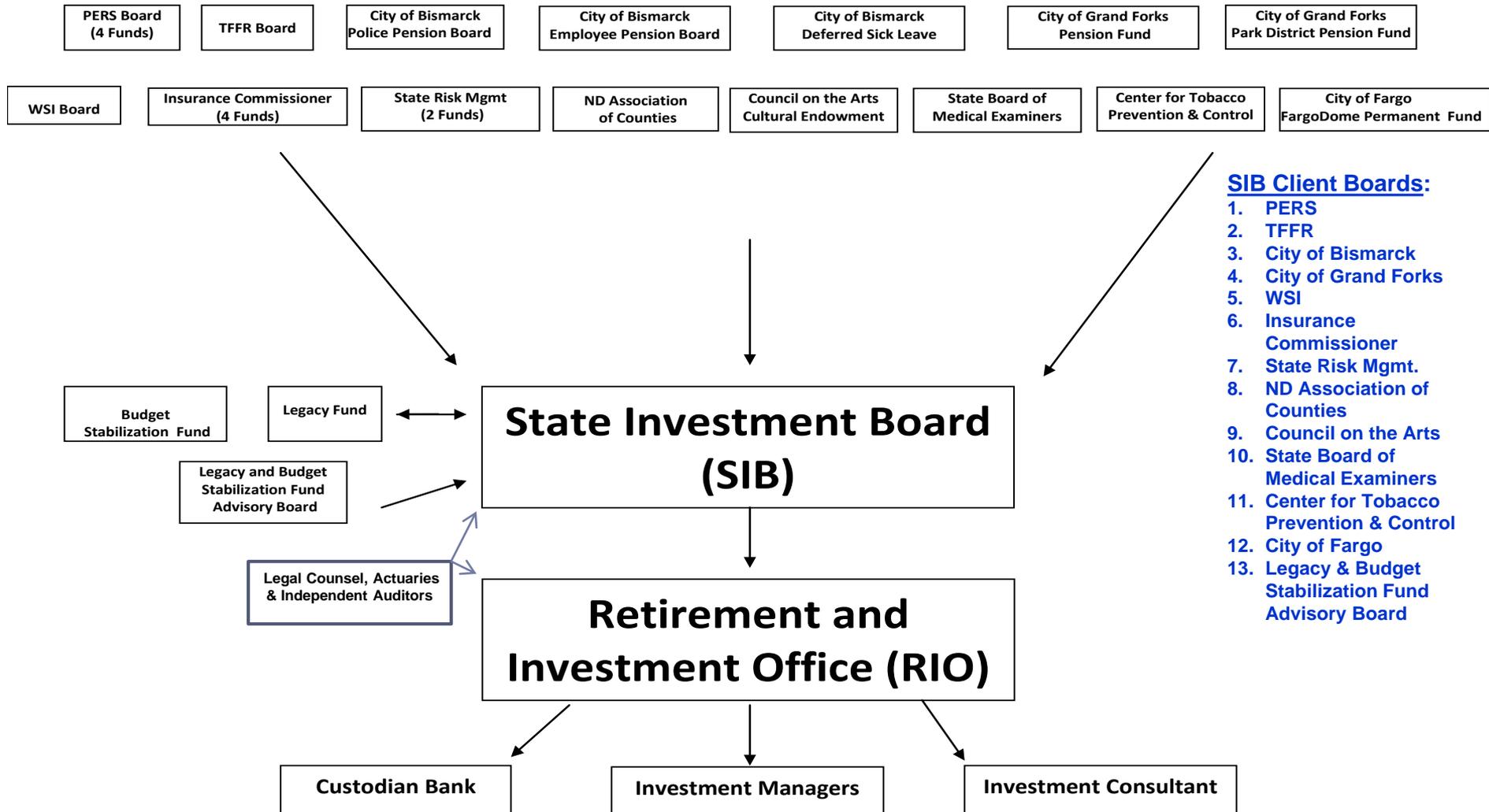
North Dakota Retirement & Investment Office – Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to RIO for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the eighteenth consecutive year that RIO has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TFFR also received the 2015 Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council. To receive the award, the retirement system must certify that it meets specific professional standards for a comprehensive benefit program, actuarial valuations, financial reporting, investments, communications to members, and funding adequacy.

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 Responsibilities: (Per NDCC 21-10):

- Accept and implement client asset allocations
- Apply Prudent Investor Rule when investing for fund 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

Investment Manager Responsibilities:

- Accept and 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

Investment Consultant Responsibilities:

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

Others Experts:

- Legal Counsel
- Independent Actuaries and Auditors
- Specialists in custody and fee reviews and/or transaction cost analyses

NDCC Chapter 21-10 State Investment Board

21-10-01. State investment board - Membership - Term - Compensation – Advisory council.

The North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of workforce safety and insurance, the insurance commissioner, three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board, two of the elected members of the public employees retirement system board as selected by that board, and one member of the public employees retirement system board as selected by that board. The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The public employees retirement system board may appoint an alternate designee with full voting privileges from the public employees retirement system board to attend meetings of the state investment board when a selected member is unable to attend. The members of the state investment board, except elected and appointed officials and the director of workforce safety and insurance or the director's designee, are entitled to receive as compensation one hundred forty-eight dollars per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.

The state investment board may establish an advisory council composed of individuals who are experienced and knowledgeable in the field of investments. The state investment board shall determine the responsibilities of the advisory council. Members of the advisory council are entitled to receive the same compensation as provided the members of the advisory board of the Bank of North Dakota and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09.

21-10-02. Board - Powers and duties.

The board is charged with the investment of the funds enumerated in section 21-10-06. It shall approve general types of securities for investment by these funds and set policies and procedures regulating securities transactions on behalf of the various funds. Representatives of the funds enumerated in section 21-10-06 may make recommendations to the board in regard to investments. The board or its designated agents must be custodian of securities purchased on behalf of funds under the management of the board. The board may appoint an investment director or advisory service, or both, who must be experienced in, and hold considerable knowledge of, the field of investments. The investment director or advisory service shall serve at the pleasure of the board. The investment director or advisory service may be an individual, corporation, limited liability company, partnership, or any legal entity which meets the qualifications established herein. The board may authorize the investment director to lend securities held by the funds. These securities must be collateralized as directed by the board. The board may create investment fund pools in which the funds identified in section 21-10-06 may invest.

NDCC Chapter 21-10 State Investment Board

21-10-02.1. Board - Policies on investment goals and objectives and asset allocation.

1. The governing body of each fund enumerated in section 21-10-06 shall establish policies on investment goals and objectives and asset allocation for each respective fund. The policies must provide for:
 - a. The definition and assignment of duties and responsibilities to advisory services and persons employed by the board.
 - b. Rate of return objectives, including liquidity requirements and acceptable levels of risk.
 - c. Long-range asset allocation goals.
 - d. Guidelines for the selection and redemption of investments.
 - e. Investment diversification, investment quality, qualification of advisory services, and amounts to be invested by advisory services.
 - f. The type of reports and procedures to be used in evaluating performance.
2. The asset allocation and any subsequent allocation changes for each fund must be approved by the governing body of that fund and the state investment board. The governing body of each fund shall use the staff and consultants of the retirement and investment office in developing asset allocation and investment policies.

21-10-03. Cooperation with Bank of North Dakota.

Repealed by S.L. 1987, ch. 190, § 14.

21-10-04. Board - Meetings.

The state investment board shall select one of its members to serve as chair, one to serve as vice chair, and shall meet at the call of the chair or upon written notice signed by two members of the board.

21-10-05. Investment director - Powers and duties.

Subject to the limitations contained in the law or the policymaking regulations or resolutions adopted by the board, the investment director may sign and execute all contracts and agreements to make purchases, sales, exchanges, investments, and reinvestments relating to the funds under the management of the board. This section is a continuing appropriation of all moneys required for the making of investments of funds under the management of the board. The investment director shall see that moneys invested are at all times handled in the best interests of the funds. Securities or investments may be sold or exchanged for other securities or investments.

The investment director shall formulate and recommend to the investment board for approval investment regulations or resolutions pertaining to the kind or nature of investments and limitations, conditions, and restrictions upon the methods, practices, or procedures for investment, reinvestment, purchase, sale, or exchange transactions that should govern the investment of funds under this chapter.

NDCC Chapter 21-10 State Investment Board

21-10-06. Funds under management of board - Accounts.

1. Subject to the provisions of section 21-10-02, the board shall invest the following funds:
 - a. State bonding fund.
 - b. Teachers' fund for retirement.
 - c. State fire and tornado fund.
 - d. Workforce safety and insurance fund.
 - e. Public employees retirement system.
 - f. Insurance regulatory trust fund.
 - g. State risk management fund.
 - h. Budget stabilization fund.
 - i. Health care trust fund.
 - j. Cultural endowment fund.
 - k. Petroleum tank release compensation fund.
 - l. Legacy fund.
 - m. A fund under contract with the board pursuant to subsection 3.
2. Separate accounting must be maintained for each of the funds listed in subsection 1. The moneys of the individual funds may be commingled for investment purposes when determined advantageous.
3. The state investment board may provide investment services to, and manage the money of, any agency, institution, or political subdivision of the state, subject to agreement with the industrial commission. The scope of services to be provided by the state investment board to the agency, institution, or political subdivision must be specified in a written contract. The state investment board may charge a fee for providing investment services and any revenue collected must be deposited in the state retirement and investment fund.

21-10-06.1. Board - Investment reports.

The board shall annually prepare reports on the investment performance of each fund under its control. The reports must be uniform and must include:

1. A list of the advisory services managing investments for the board.
2. A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.
3. Earnings, percentage earned, and change in market value of each fund's investments.
4. Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

NDCC Chapter 21-10 State Investment Board

21-10-06.2. Investment costs.

The amounts necessary to pay for investment costs, such as investment counseling fees, trustee fees, custodial fees, performance measurement fees, expenses associated with money manager searches, expenses associated with onsite audits and reviews of investment managers, and asset allocation expenses, incurred by the state investment board are hereby appropriated and must be paid directly out of the funds listed in section 21-10-06 by the fund incurring the expense.

21-10-07. Legal investments.

The state investment board shall apply the prudent investor rule in investing for funds under its supervision. The "prudent investor rule" means that in making investments the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

21-10-08. Reserves - Percentage limitations.

In order to meet claims and liabilities, reserves must be established and maintained in each of the funds in accordance with the investment policy and asset allocation established for each fund.

21-10-09. Personal profit prohibited - Penalty.

No member, officer, agent, or employee of the state investment board may profit in any manner from transactions on behalf of the funds. Any person violating any of the provisions of this section is guilty of a class A misdemeanor.

21-10-10. State investment board fund - Cost of operation of board.

Repealed by S.L. 1989, ch. 667, § 13.

NDCC Chapter 21-10 State Investment Board

21-10-11. Legacy and budget stabilization fund advisory board.

The legacy and budget stabilization fund advisory board is created to develop recommendations for the investment of funds in the legacy fund and the budget stabilization fund to present to the state investment board. The goal of investment for the legacy fund is principal preservation while maximizing total return. The board consists of two members of the senate appointed by the senate majority leader, two members of the house of representatives appointed by the house majority leader, the director of the office of management and budget or designee, the president of the Bank of North Dakota or designee, and the tax commissioner or designee. The board shall select a chairman and must meet at the call of the chairman. The board shall report at least semiannually to the budget section. Legislative members are entitled to receive compensation and expense reimbursement as provided under section 54-03-20 and reimbursement for mileage as provided by law for state officers. The legislative council shall pay the compensation and expense reimbursement for the legislative members. The legislative council shall provide staff services to the legacy and budget stabilization fund advisory board. The staff and consultants of the state retirement and investment office shall advise the board in developing asset allocation and investment policies.

21-10-12. Legacy fund - Earnings defined.

For the purposes of section 26 of article X of the Constitution of North Dakota, the term "earnings" means net income in accordance with generally accepted accounting principles, excluding any unrealized gains or losses.

State Investment Board – Client Assets Under Management

<u>Fund Name</u>	<u>Market Values as of 12/31/15 ⁽¹⁾</u>	<u>Market Values as of 12/31/14 ⁽¹⁾</u>
Pension Trust Fund		
Public Employees Retirement System (PERS)	2,371,419,312	2,345,979,927
Teachers' Fund for Retirement (TFFR)	2,036,260,471	2,046,439,456
Job Service of North Dakota Pension	93,985,042	96,920,165
City of Bismarck Employees Pension	79,987,495	79,421,743
City of Grand Forks Employees Pension	55,321,141	56,347,332
City of Bismarck Police Pension	33,013,643	34,834,996
Grand Forks Park District	5,770,147	5,893,072
City of Fargo Employees Pension	1,512	9,656
Subtotal Pension Trust Fund	4,675,758,763	4,665,846,347
Insurance Trust Fund		
Legacy Fund		2,900,880,837
Workforce Safety & Insurance (WSI)	1,746,807,452	1,710,647,794
Budget Stabilization Fund	573,743,813	589,598,047
ND Tobacco Prevention and Control Trust Fund	46,438,466	
City of Fargo FargoDome Permanent Fund	38,489,674	40,651,973
PERS Group Insurance Account	38,411,033	42,705,101
State Fire and Tornado Fund	23,169,406	25,065,765
Petroleum Tank Release Compensation Fund	6,931,840	7,152,822
State Risk Management Fund	6,213,232	6,771,080
State Risk Management Workers Comp Fund	5,723,481	6,141,008
ND Association of Counties (NDACo) Fund	3,895,582	3,481,321
State Bonding Fund	3,187,067	3,299,303
ND Board of Medical Examiners	2,156,260	2,131,999
Insurance Regulatory Trust Fund	1,057,824	646,335
Bismarck Deferred Sick Leave Account	615,610	859,648
Cultural Endowment Fund	372,713	373,276
Subtotal Insurance Trust Fund	2,497,213,453	5,340,406,309
Legacy Trust Fund		
Legacy Fund	3,522,475,430	
PERS Retiree Insurance Credit Fund	96,046,927	93,282,939
Total Assets Under SIB Management	10,791,494,573	10,099,535,595

⁽¹⁾ 12/31/15 market values are unaudited and subject to change.

- ▶ SIB Client Assets Under Management grew by approximately 6.9% or \$692 million in the last year.
- ▶ The Pension Trust posted a net return of 0.56%, while the Insurance Trust generated a 1.03% net return in the last year. Investments were responsible for gains of \$26 million for the Pension Trust and gains of \$25 million for the Insurance Trust excluding Legacy Fund assets.
- ▶ Legacy assets increased by 21% (or \$622 million) primarily due to tax collections, although net returns were 0.91% for the year ended December 31, 2015.
- ▶ SIB client assets totaled \$10.8 billion based on unaudited valuations as of December 31, 2015.
- ▶ ND Tobacco Prevention and Control Trust Fund joined the NDSIB platform on September 30, 2015.

**ND RETIREMENT AND INVESTMENT OFFICE
ND STATE INVESTMENT BOARD
INVESTMENT PERFORMANCE SUMMARY
AS OF DECEMBER 31, 2015**

Investment Performance (net of fees)

Fund Name	Market Values as of 12/31/15	Quarter Ended				FYTD 2016	Fiscal Years ended June 30					Periods ended 6/30/15 (annualized)						
		9/30/15	12/31/15	3/31/16	6/30/16		2015	2014	2013	2012	2011	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Pension Trust Fund																		
Teachers' Fund for Retirement (TFFR)	2,036,260,471	-4.98%	2.72%			-2.40%	3.52%	16.53%	13.57%	-1.12%	24.05%	11.06%	10.94%	5.87%	4.99%	7.23%	7.80%	8.37%
Public Employees Retirement System (PERS)	2,371,419,312	-5.04%	2.71%			-2.47%	3.53%	16.38%	13.44%	-0.12%	21.27%	10.98%	10.61%	5.98%	5.54%	7.65%	8.01%	8.68%
City of Bismarck Employees Pension	79,987,495	-4.25%	2.17%			-2.17%	3.69%	14.56%	12.41%	1.57%	20.32%	10.12%	10.29%	6.00%	5.65%	7.52%	8.38%	*
City of Bismarck Police Pension	33,013,643	-4.76%	2.34%			-2.53%	3.56%	15.27%	13.03%	1.31%	21.10%	10.50%	10.61%	6.01%	5.48%	7.40%	8.25%	*
Job Service of North Dakota Pension	93,985,042	-3.12%	3.38%			0.15%	3.30%	13.54%	11.71%	3.09%	16.39%	9.42%	9.47%	6.16%	5.52%	8.47%	*	*
City of Fargo Employees Pension	1,512	0.03%	0.04%			0.07%	0.06%	8.42%	13.90%	0.97%	21.58%	7.31%	8.69%	*	*	*	*	*
City of Grand Forks Employees Pension	55,321,141	-5.32%	2.80%			-2.67%	3.53%	16.33%	14.01%	1.09%	21.64%	11.15%	11.04%	*	*	*	*	*
Park District of the City of Grand Forks Pension	5,770,147	-4.89%	3.32%			-1.73%	4.22%	16.44%	14.43%	0.86%	20.98%	11.57%	11.12%	*	*	*	*	*
Subtotal Pension Trust Fund	4,675,758,762																	
Insurance Trust Fund																		
Workforce Safety & Insurance (WSI)	1,746,807,452	-1.92%	1.18%			-0.77%	3.26%	11.71%	8.31%	6.17%	13.23%	7.71%	8.48%	5.65%	5.43%	7.08%	7.62%	*
State Fire and Tornado Fund	23,169,406	-2.89%	1.76%			-1.19%	3.16%	12.78%	10.59%	4.93%	14.52%	8.76%	9.11%	6.14%	5.49%	6.62%	6.91%	*
State Bonding Fund	3,187,067	0.21%	-0.11%			0.11%	1.25%	4.06%	2.96%	5.31%	5.01%	2.75%	3.71%	2.25%	3.04%	4.77%	5.46%	*
Petroleum Tank Release Compensation Fund	6,931,840	0.20%	-0.10%			0.09%	1.13%	3.68%	2.47%	4.84%	4.97%	2.42%	3.41%	2.06%	2.70%	4.71%	*	*
Insurance Regulatory Trust Fund	1,057,824	-2.58%	1.53%			-1.09%	2.04%	9.88%	8.49%	2.82%	11.61%	6.75%	6.90%	5.06%	4.69%	6.06%	6.01%	*
State Risk Management Fund	6,213,232	-2.08%	1.50%			-0.61%	4.08%	12.29%	10.19%	7.63%	14.36%	8.80%	9.65%	6.37%	5.57%	*	*	*
State Risk Management Workers Comp Fund	5,723,481	-2.65%	1.90%			-0.80%	4.57%	13.68%	11.61%	7.40%	16.23%	9.88%	10.62%	6.64%	*	*	*	*
Cultural Endowment Fund	372,713	-4.39%	3.00%			-1.52%	5.22%	16.94%	15.58%	4.65%	21.33%	12.46%	12.55%	6.75%	*	*	*	*
Budget Stabilization Fund	573,743,813	0.27%	-0.34%			-0.07%	1.86%	1.94%	1.87%	2.03%	3.73%	1.89%	2.28%	*	*	*	*	*
ND Association of Counties (NDACo) Fund	3,895,582	-2.50%	1.49%			-1.04%	2.77%	11.61%	9.46%	1.69%	17.73%	7.88%	8.49%	5.09%	4.61%	*	*	*
Bismarck Deferred Sick Leave Account	615,610	-2.48%	1.47%			-1.05%	2.95%	12.32%	9.83%	5.69%	13.80%	8.29%	8.84%	6.19%	5.76%	*	*	*
City of Fargo FargoDome Permanent Fund	38,489,674	-4.50%	2.40%			-2.21%	3.38%	16.34%	13.46%	3.14%	19.16%	10.92%	10.89%	6.41%	*	*	*	*
State Board of Medicine Fund	2,156,260	-1.66%	0.88%			-0.79%	2.70%	*	*	*	*	*	*	*	*	*	*	*
PERS Group Insurance Account	38,411,033	0.00%	-0.08%			-0.07%	0.01%	0.06%	0.27%	0.24%	0.31%	0.11%	0.18%	1.55%	1.92%	*	*	*
Subtotal Insurance Trust Fund	2,450,774,987																	
Legacy Fund	3,522,475,430	-4.42%	2.46%			-2.07%	3.31%	6.64%	1.15%	*	*	3.69%	*	*	*	*	*	*
Tobacco Control and Prevention Fund	46,438,466	*	0.28%			*	*	*	*	*	*	*	*	*	*	*	*	*
PERS Retiree Insurance Credit Fund	96,046,927	-5.59%	2.82%			-2.93%	3.06%	16.53%	14.80%	2.62%	21.65%	11.30%	11.47%	6.11%	4.75%	7.27%	7.53%	*
Total Assets Under SIB Management	10,745,056,107																	

* These funds do not have the specified periods of history under SIB management.

Note: Asset allocation largely drives investment performance. Each fund has a unique allocation that takes into consideration return objectives, risk tolerance, liquidity constraints, and unique circumstances. Such considerations must be taken into account when comparing investment returns. **All figures are preliminary and subject to revision.**

NDRIO – Consulting and Professional Services (June 30, 2015)

Actuary

The Segal Company
Chicago, Illinois

Auditor

CliftonLarsonAllen LLP
Baltimore, Maryland

Legal Counsel

North Dakota Attorney General's
Office
Bismarck, North Dakota

Ice Miller
Chicago, Illinois

K&L Gates
Boston, Massachusetts

Information Technology

Advent Software, Inc.
San Francisco, CA

CPAS Systems Inc.
Toronto, Ontario

Master Custodian

The Northern Trust Company
Chicago, Illinois

Investment Consultant and Performance Measurement

Callan Associates Inc.
San Francisco, California

Investment Consulting (Fee Analysis)

Novarca North America LLC
Palo Alto, California

Investment Consulting (Private Equity Monitoring)

Adams Street Partners, LLC
Chicago, Illinois

Investment Managers

Adams Street Partners, LLC
Chicago, Illinois

Axiom International Investors
Greenwich, Connecticut

Babson Capital Management LLC
Boston, Massachusetts

Brandywine Asset Management
Wilmington, Delaware

Callan Associates
San Francisco, California

Capital Group
Los Angeles, California

Corsair Capital
New York, New York

Declaration Mgmt & Research, LLC
McLean, Virginia

Dimensional Fund Advisors
Chicago, Illinois

EIG Energy Partners
Los Angeles, California

Epoch Investment Partners, Inc.
New York, New York

Goldman Sachs Asset Mgmt
New York, New York

Investment Managers (cont.)

Grosvenor Capital Management
New York, NY

Hearthstone Homebuilding Investors,
LLC
Encino, California

INVESCO Realty Advisors
Dallas, Texas

InvestAmerica L&C, LLC
Cedar Rapids, Iowa

J.P. Morgan Invest. Mgmt, Inc.
New York, New York

Loomis Sayles & Company
Boston, Massachusetts

Los Angeles Capital Management
Los Angeles, California

LSV Asset Management
Chicago, Illinois

Matlin Patterson Global Advisers LLC
New York, New York

Northern Trust Asset Management
Chicago, Illinois

Parametric Portfolio Associates
DBA The Clifton Group
Minneapolis, Minnesota

PIMCO
Newport Beach, California

Prudential Investment Management
Newark, New Jersey

Quantum Energy Partners
Houston, Texas

Investment Managers (cont.)

Quantum Resources Mgmt, LLC
Denver, Colorado

Research Affiliates, LLC
Newport Beach, California

SEI Investments Management Co.
Oaks, Pennsylvania

State Street Global Advisors
Boston, Massachusetts

Timberland Investment
Resources, LLC
Atlanta, Georgia

UBS Global Asset Management
Chicago, Illinois

The Vanguard Group
Valley Forge, Pennsylvania

Wellington Trust Company, NA
Boston, Massachusetts

Wells Capital Management, Inc.
Menomonee Falls, Wisconsin

Western Asset Management Co.
Pasadena, California

Transparency Enhancement Update – January 15, 2016

Strategic Investment Belief / Goal:

Although SIB meetings are open to the public and RIO is committed to adhering to all applicable open records laws, a transparency enhancement initiative was commenced in mid-2015 in order to make it easier for interested parties to gain access to information on RIO's website. RIO believes these actions support our desire to foster trust, understanding and support within our community.

RIO's Stated Action Plan (as stated in our SIB Meeting Materials for August of 2015):

- 1) Enhance public access to our SIB Governance Manual by adding a new hyperlink on our RIO website (hyperlink accessed by clicking on "SIB Governance Manual" under the "SIB / Board" section); <http://www.nd.gov/rio/SIB/Board/GovernanceManual/default.htm>
- 2) Enhance public access to our SIB Meeting Materials by adding a new hyperlink on our RIO website (hyperlink accessed by clicking on "Meeting Materials" under the "SIB / Board" section); <http://www.nd.gov/rio/SIB/Board/SIB%20Meeting%20Materials/default.htm>
- 3) Enhance public access to our SIB's Audit Committee Charter and Meeting Materials by adding a new hyperlink on our RIO website (hyperlinks accessed by clicking on "SIB Audit Charter" or "Meeting Materials" under the "SIB Audit" section). <http://www.nd.gov/rio/SIB%20Audit/Board/default.htm>

Update: RIO's Supervisor of Information Systems, Rich Nagel, was instrumental in updating RIO's website to achieve these "Transparency Enhancements" in a timely and diligent manner.

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