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## **LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD**

Tuesday, May 27, 2025  
Harvest Room, State Capitol  
Bismarck, North Dakota

Senator Jerry Klein, Chairman, called the meeting to order at 1:00 p.m.

**Members present:** Senators Jerry Klein, Kathy Hogan, Scott Meyer; Representatives Glenn Bosch, Keith Kempenich, Jonathan Warrey; Citizen Members Thomas Beadle, Don Morgan, Joe Morrisette

**Member absent:** Citizen Member Brian Kroshus

**Others present:** Senator Brad Bekkedahl, Williston, member of the Legislative Management  
Scott Anderson, Retirement and Investment Office

**It was moved by Representative Kempenich, seconded by Senator Meyer, and carried on a voice vote that the minutes of the November 12, 2024, meeting be approved as distributed.**

### **STATUS OF FUNDS AND PROGRAMS**

Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, presented information ([appendix](#)) regarding the performance of investment markets, the status of the legacy fund and budget stabilization fund, the status of the in-state investment initiatives and the implementation of the internal investment management program, a cost-benefit analysis related to the change in percent of market value calculation for the distribution from the legacy fund, and a country risk assessment. He noted:

- The bond and equity markets had positive returns for the year-to-date through May 19, 2025, except for small-cap stocks, which had a negative return.
- The legacy fund had a balance of \$12.1 billion as of February 28, 2025, and returned 2.5 percent for the year to date through February 2025 compared to a benchmark of 2.3 percent.
- The budget stabilization fund had a balance of \$963.6 million as of February 28, 2025, and returned 1.2 percent for the year-to-date, the same as the benchmark.
- The legacy fund investments as of February 28, 2025, reflect \$464 million of in-state investments, including \$92 million for the infrastructure revolving loan fund, \$306 million for the Bank of North Dakota's certificate of deposit match program, and \$66 million of in-state private equity investments managed by 50 South Capital.
- A cost-benefit analysis of the impact of changing the percent of market value calculation for the legacy fund from 7 to 8 percent anticipates a decrease of \$2.4 billion in market value and an increase of \$1.3 billion in distributions over the next 20 years.
- The agency implemented a \$285 million pilot project for the internal investment management program in April 2025 with an estimated savings of \$300,000 per year due to a lack of external management fees.
- The State Investment Board monitors research from third parties to evaluate economic and geopolitical risks for investments in other countries and does not have any direct or indirect investments in Cuba, Iran, North Korea, Russia, or Venezuela in compliance with federal regulations.

In response to a question from an advisory board member, Mr. Anderson noted tariff policies and the development of artificial intelligence have caused uncertainty in the stock market.

**SELECTION OF CHAIRMAN**

**It was moved by Representative Bosch, seconded by Senator Meyer, and carried on a roll call vote that Representative Warrey serve as Chairman and Senator Klein serve as Vice Chairman of the Legacy and Budget Stabilization Fund Advisory Board pursuant to North Dakota Century Code Section 21-10-11(4).** Senators Klein, Hogan, and Meyer; Representatives Bosch, Kempenich, and Warrey; and Citizen Members Beadle, Morgan, and Morrisette voted "aye." No negative votes were cast.

No further business appearing, Vice Chairman Klein adjourned the meeting at 2:50 p.m.

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Adam Mathiak  
Senior Fiscal Analyst

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