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## LEGACY AND BUDGET STABILIZATION FUND ADVISORY BOARD

Tuesday, December 6, 2022  
Pioneer Room, State Capitol  
Bismarck, North Dakota

Senator Jerry Klein, Chairman, called the meeting to order at 3:00 p.m.

**Members present:** Senators Jerry Klein, Kathy Hogan, Scott Meyer; Representatives Glenn Bosch, Keith Kempenich, Gary Kreidt; Citizen Members Thomas Beadle, Jon Godfread, Todd Steinwand

**Member absent:** Citizen Member Brian Kroshus

**Others present:** See [Appendix A](#)

**It was moved by Citizen Member Godfread, seconded by Senator Meyer, and carried on a voice vote that the minutes of the October 12, 2022, meeting be approved as distributed.**

### LEGACY FUND ASSET ALLOCATION STUDY

Mr. Jim Voytko, President, Director of Research, and Senior Consultant, RVK, Inc., presented information ([Appendix B](#)) regarding a revised draft investment policy for the legacy fund regarding the recommended changes to the maximum investment in any one investment or entity. He noted the policy limits in-state equity investments to \$10 million but was revised to permit two direct investments per fund commitment to exceed the \$10 million, allowing the two direct investments to have a maximum of \$25 million.

In response to a question from an advisory board member, Mr. Scott Anderson, Chief Investment Officer, Retirement and Investment Office, noted the advisory board's responsibility is to develop the investment policy, but the State Investment Board will determine the pace at which investments are made under the in-state equity investment program.

Ms. Oksana Rencher, Associate Consultant, RVK, Inc., noted the second part of the legacy fund asset allocation study includes forecasting future legacy fund performance based on various investment scenarios, which will be available for the advisory board's consideration in May 2023.

### STATUS OF FUNDS

Mr. Anderson presented information ([Appendix C](#)) regarding the status of the budget stabilization fund and the legacy fund. He noted:

- The budget stabilization fund had a balance of \$711 million as of September 30, 2022, and returned 0.8 percent for the 5-year period ended September 30, 2022, which exceeded the benchmark by 0.1 percent.
- The legacy fund had a balance of \$7.8 billion as of September 30, 2022, and returned 3.6 percent for the 5-year period ended September 30, 2022, which exceeded the benchmark by 0.3 percent.

### SELECTION OF CHAIRMAN

**It was moved by Senator Meyer, seconded by Senator Hogan, and carried on a roll call vote that Representative Bosch serve as 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 Kreidt; and Citizen Members Beadle, Godfread, and Steinwand voted "aye." No negative votes were cast.

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

**It was moved by Representative Kreidt, seconded by Senator Hogan, and carried on a voice vote that the Chairman serve as a nonvoting member on the State Investment Board with other advisory board members designated by the Chairman to attend State Investment Board meetings on a rotating basis pursuant to Section 21-10-11(9).**

Representative Bosch began serving as Chairman of the advisory board.

No further business appearing, Chairman Bosch adjourned the meeting at 3:15 p.m.

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Adam Mathiak  
Senior Fiscal Analyst

ATTACH:3