

Governor's Conference Room and Microsoft Teams meeting

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[+1 701-328-0950,,808079802#](#) United States, Fargo

Phone Conference ID: 356 459 616#

Meeting Coordinators: Catelin Newell – Dir. Admin Services & IT, Kate Schirado – Exec. Assistant

➤ = **Board Action Requested**

1. Call to Order – Chairman

A. Roll Call and Pledge of Allegiance

B. Consideration of Approval of [April 30, 2026 Land Board Meeting Minutes](#) by voice vote.
– minutes available via link

2. Operations – Joseph Heringer

A. Commissioner's Report – pg. 2

B. Financial Dashboard – pg. 3

3. Division Reports – Joseph Heringer

A. Surface – pg. 10

B. Minerals – pg. 12

C. Unclaimed Property – pg. 14

D. [Financials for period ended February 28, 2026 \(unaudited\)](#) – report via link

4. Investments – Frank Mihail, CIO

A. Investment Update – pg. 15

B. Informational Memo – Rebalancing – pg. 20

5. Special Projects – Joseph Heringer

A. Commissioner Annual Performance & Compensation Review – Treasurer Beadle – pg. 34

6. Litigation Update – Joseph Heringer – pg. 41

Next Meeting Date – June and July Combined on July 9, 2026, No August Meeting

RE: Commissioner's Report
(No Action Requested)

- Lignite Research Council - attended May 8, 2026, grant round meeting as a voting member where three proposals were recommended for approval to the Industrial Commission
- Working Genius Training – DTL leadership participated in this training session on May 11, 2026, facilitated by the HRMS training coordinator; good feedback received and planning to offer this opportunity to full DTL team
- Williston Basin Petroleum Conference (June 19-21) – attended along with a strong contingency from our minerals & revenue compliance teams; great learning and networking opportunities
- National Assoc. of State Trust Lands 2026 Annual Conference – Medora – July 12-15, 2026 – planning for this exciting event continues with registrations coming in steady; all sponsorships and speakers have been finalized so now moving on to event details such as welcome materials, getting conference materials printed, and specific event details (socials, dinner, special outings, etc.)
- North Dakota Trust Lands Completion Act – Unanimously passed the U.S. House on May 19, 2026; thanks to Rep. Fedorchak for her leadership and hard work on this important legislation; now onto the U.S. Senate where Senator Hoeven and Senator Cramer have been very supportive as well

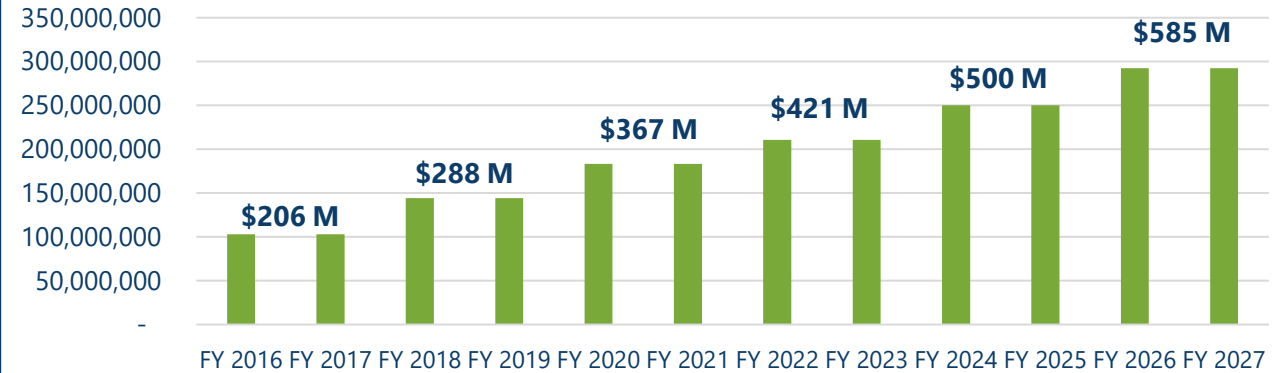
COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

CSTF ASSET BALANCE as of 02/28/2026 (unaudited)

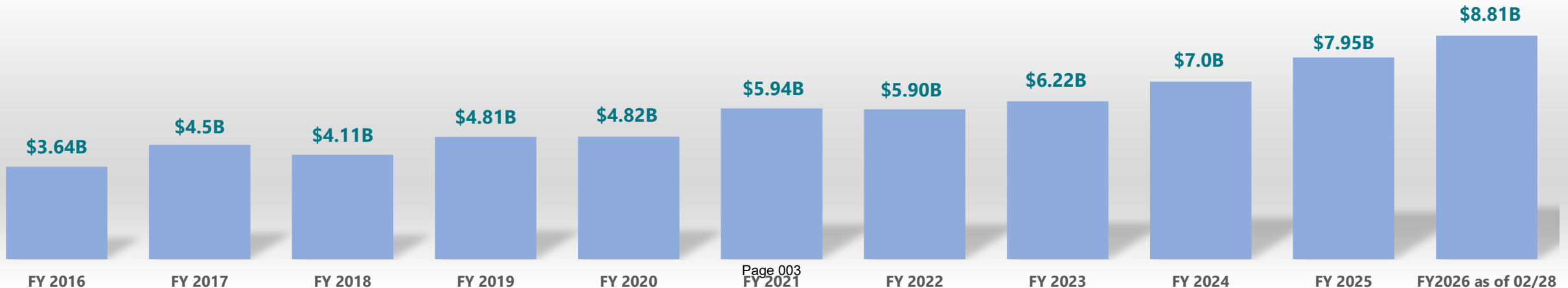
\$8,805,762,841

**+\$1.25 billion year-over-year from 02/28/2025
balance of \$7.56 billion**

CSTF DISTRIBUTION HISTORY PER BIENNIUM



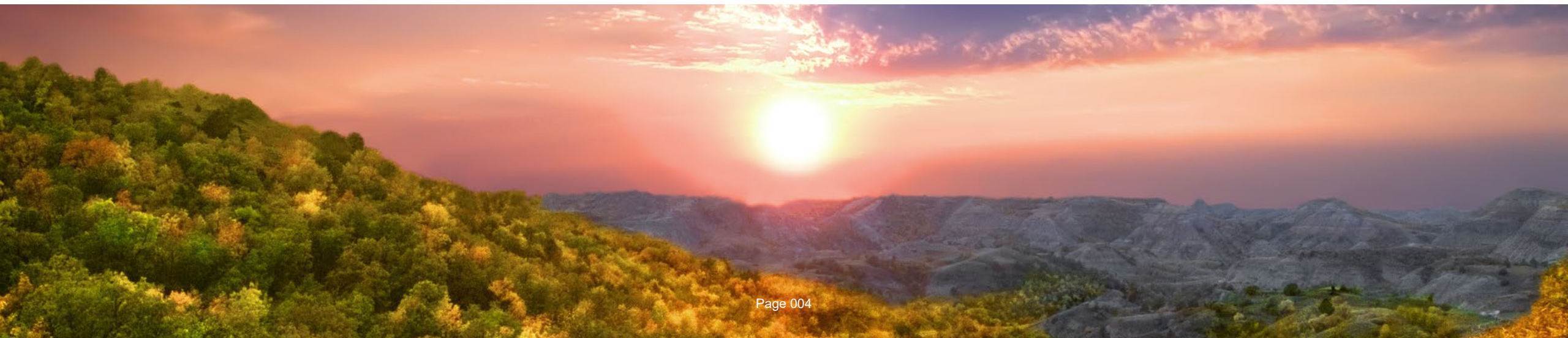
CSTF ASSET BALANCE HISTORY



COMMON SCHOOLS TRUST FUND 2025-27 (CSTF) DISTRIBUTIONS

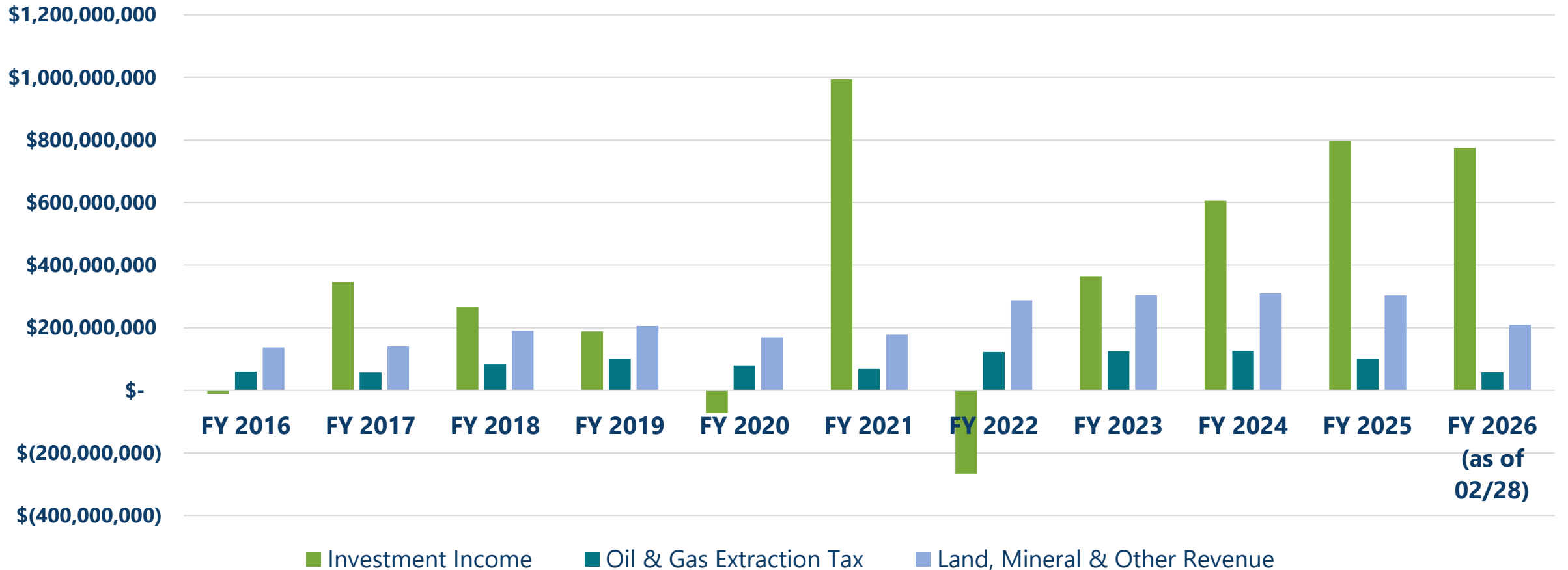
Monthly Distribution to the State Tuition Fund for the 2025-27 Biennium \$32,500,000
Multiplied by 9 months per year = \$292,500,000
Divided by 116,598 students = \$2,508/student per year

North Dakota Cost to Educate Per Student \$13,778/year
75.7% State Funding Share = \$10,430
\$2,508 CSTF per Student Annual Distribution **=24% of state funding share**



COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

COMMON SCHOOLS REVENUES July 1 – June 30 Fiscal Year



STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) OVERVIEW

SIIF BALANCE as of 02/28/2026 (unaudited)

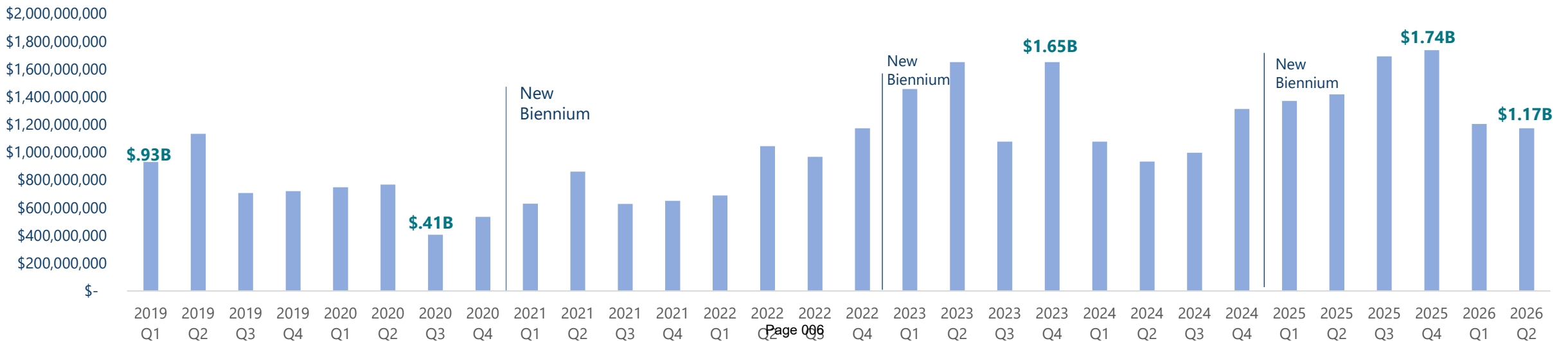
Total Balance - \$1,170,461,536

As of February 28, 2026, SIIF had an estimated fund balance of \$1,170,461,536. The fund balance consists of committed and uncommitted portions.

The committed fund balance includes amounts reserved for specific purposes. As of January 31, 2026, \$43,125,403 is committed for potential title disputes. In addition, the Legislature has appropriated a committed fund balance estimated at \$1,008,326,353.

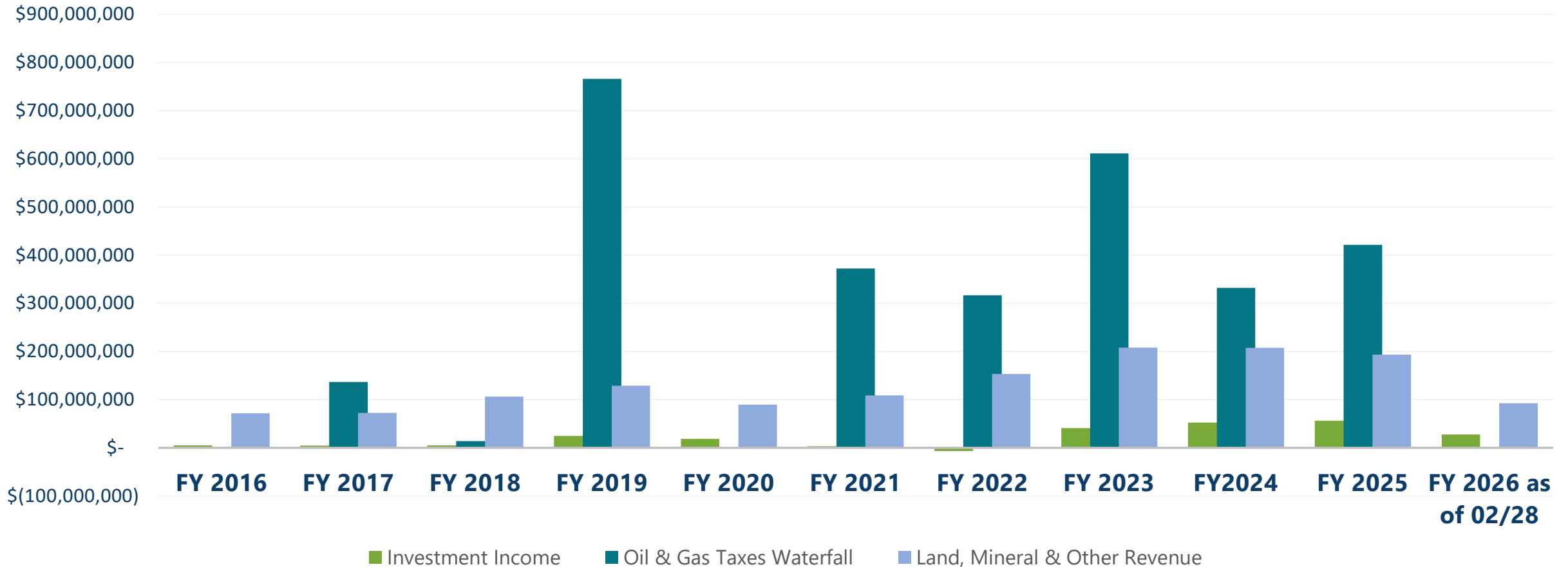
The uncommitted fund balance is estimated at \$119,009,780. This portion represents funding that remains unencumbered and available for future allocation.

SIIF QUARTERLY BALANCE HISTORY (UNAUDITED)



STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) HIGHLIGHTS

SIIF REVENUES July 1 – June 30 Fiscal Year



- SLIDE TO BE REPLACED WITH LATEST OMB OG TAX WATERFALL INFOGRAPHIC

ESTIMATED TOTAL NET ASSETS as of 02/28/2026

Mineral Tracker Valuation
as of June 2025, on
2.6 million Mineral Acres
\$2,177,250,937



Surface Fair Market Value
as of April 2026, on
706,000 Surface Acres
\$779,400,717



Estimated Total Net Assets*
as of February 28, 2026

\$12,370,016,685

* Total excluding SIIF



SURFACE DIVISION ENCUMBRANCES ISSUED

Encumbrances issued by the Commissioner: 14 Right of Way Agreements in April generated a total of \$50,783 in income for the Trusts.

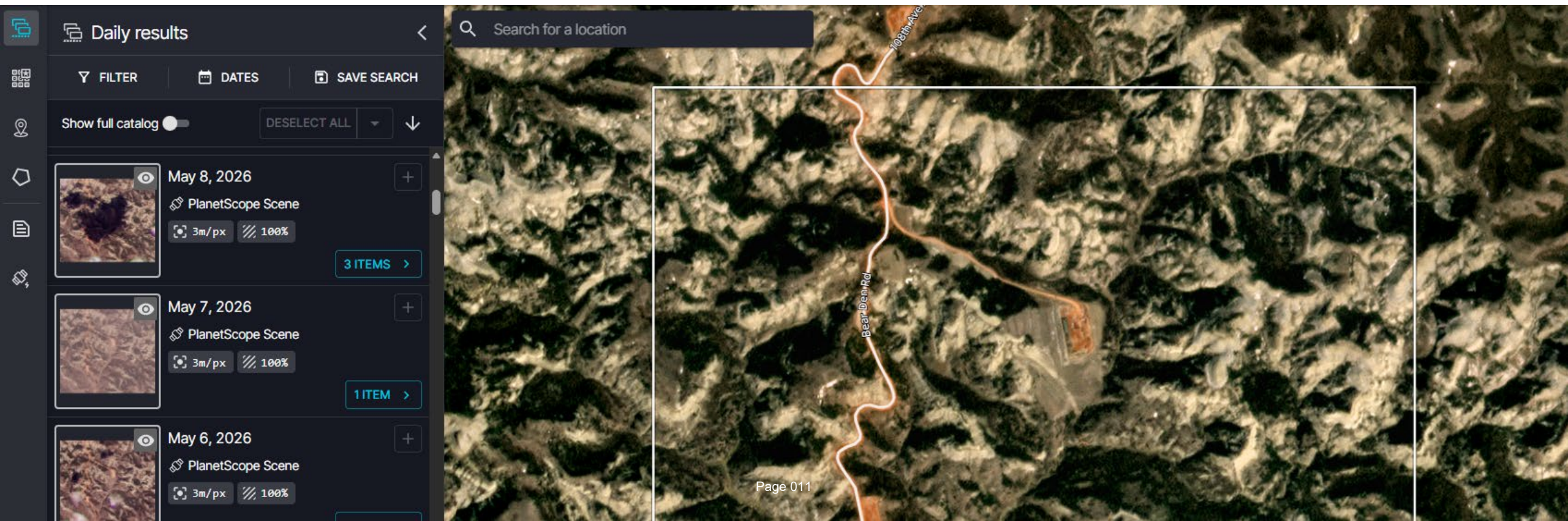


SURFACE DIVISION

Aerial Imagery

Aerial Imagery Contract – Planet Labs

- Inventory of aerial imagery at 3 meters/pixel
- Tasking imagery for <1 meters/pixel
- RFP built to allow other state agencies to acquire contract

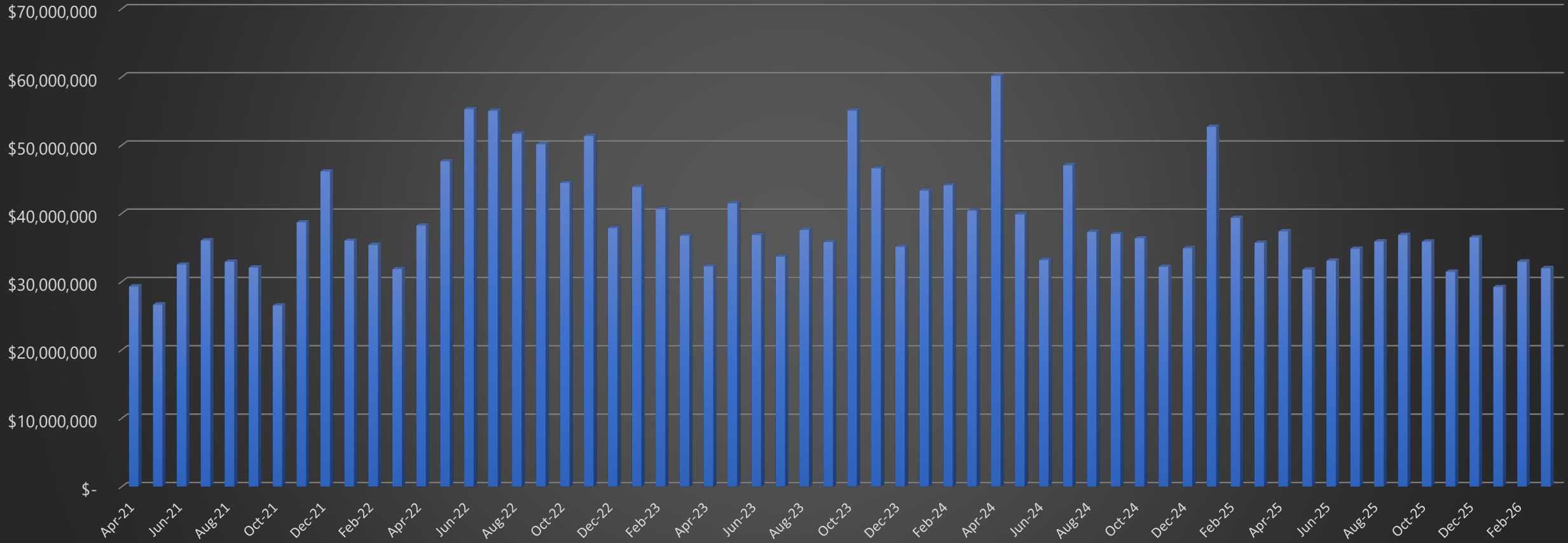


MINERALS DIVISION

FISCAL YTD O/G ROYALTIES

As of April 30, 2026*, for fiscal year 2026 the Department has received **\$350,059,029** in royalties as compared to **\$390,011,196** last fiscal year at this time.

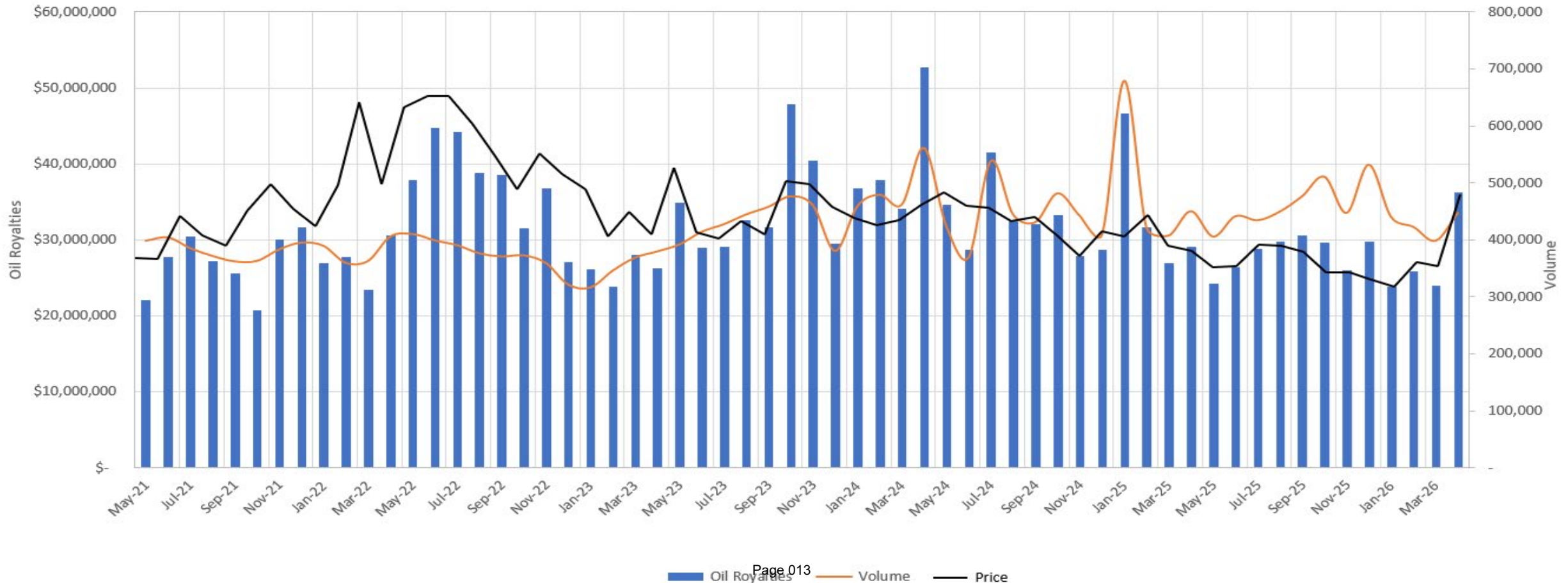
ROYALTIES - CASH COLLECTED



*April royalty revenue is from February gas production and March oil production.

PRICE MAIN DRIVER OF O/G ROYALTIES

In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging 451,422 barrels per month over the past twelve months, the price of oil & gas is the main driver of monthly royalty variations.



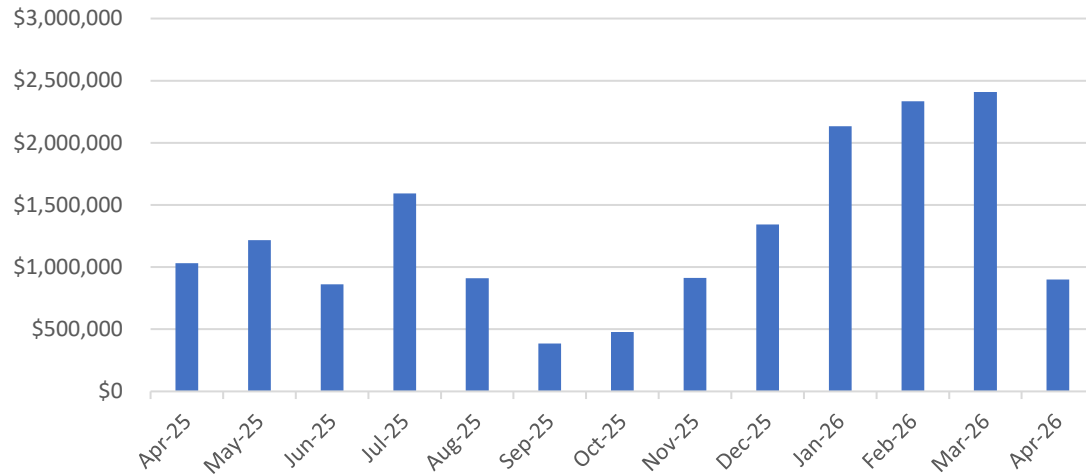
UNCLAIMED PROPERTY DIVISION

<https://unclaimedproperty.nd.gov>

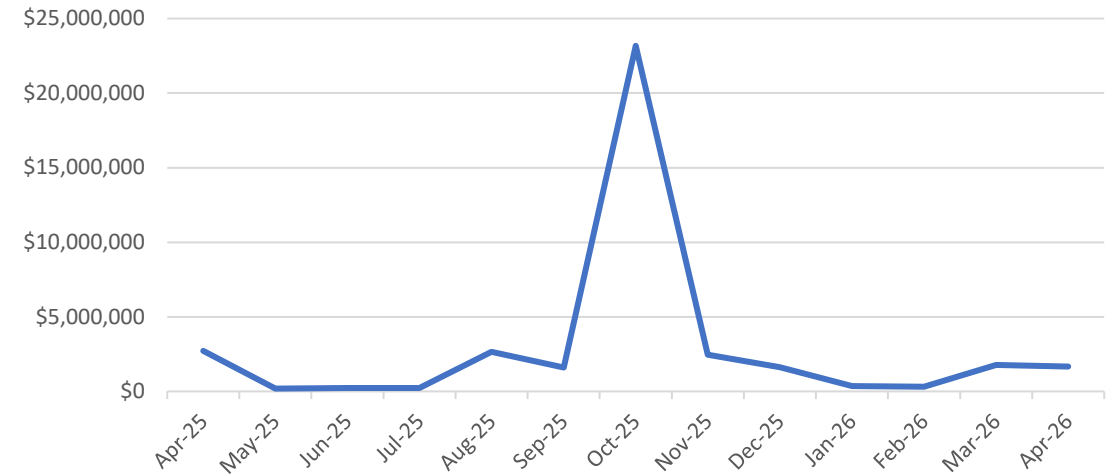
For the month of April 2026, the Division paid 718 claims with \$901,333 returned to rightful owners.

The Division also received 253 holder reports with a dollar value of \$1,672,977.

TOTAL DOLLAR VALUE OF CLAIMS PAID

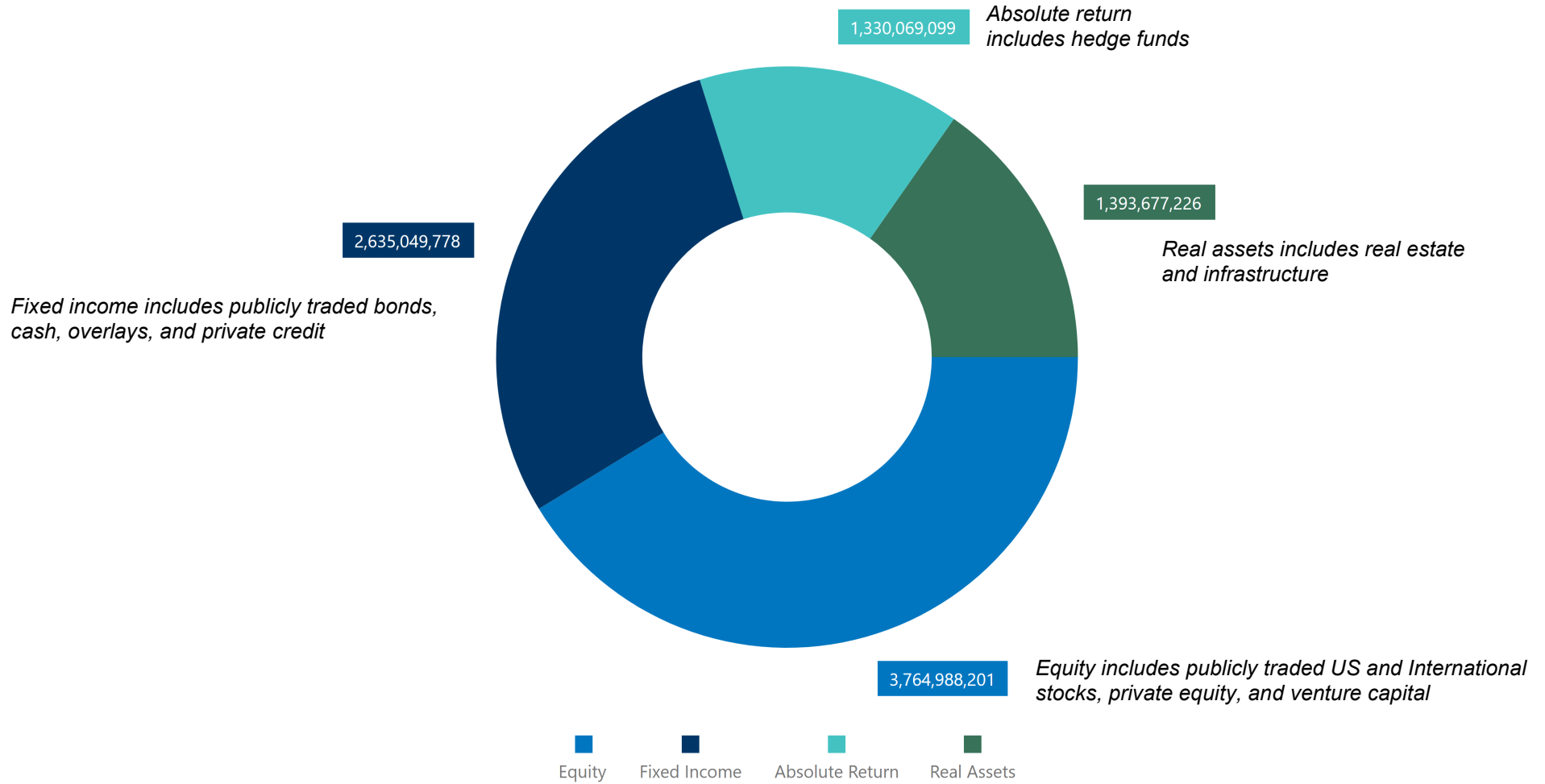


TOTAL VALUE OF PROPERTY REPORTED



Report as of 4/30/2026

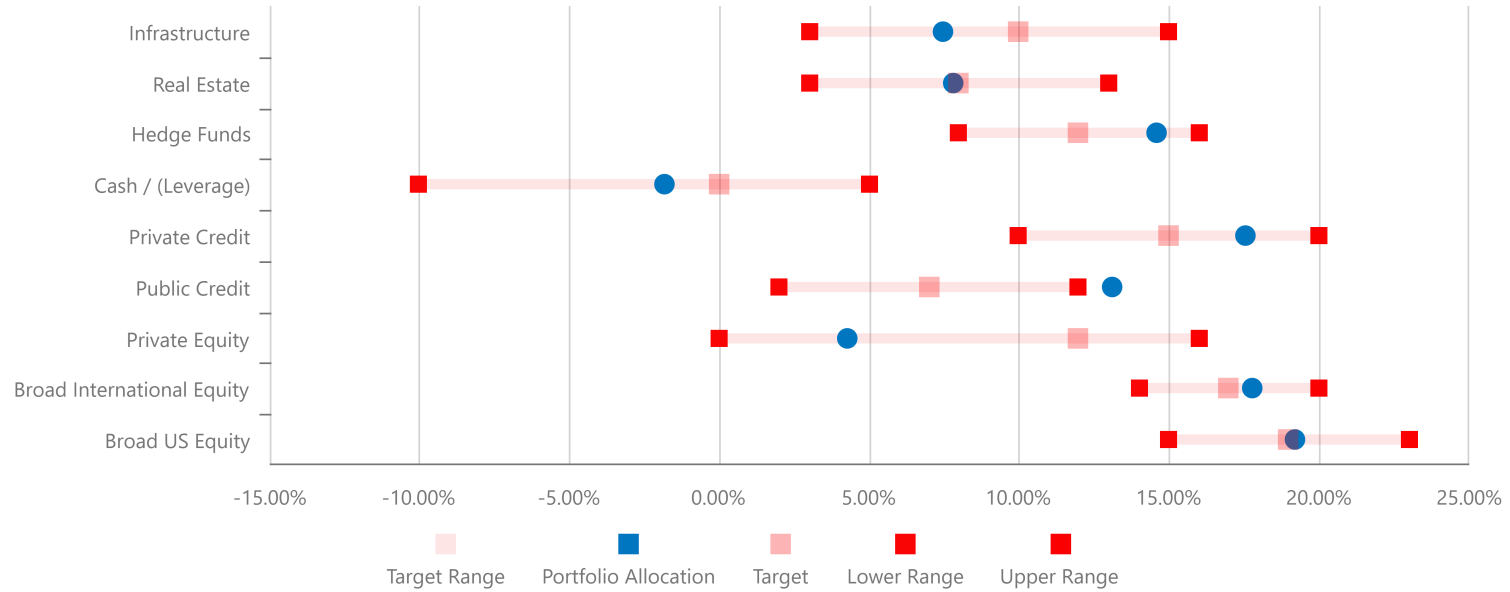
Asset Allocation



Asset	Total Value	% Of All Value
All	9,123,784,304	100%
Equity	3,764,988,201	41%
Fixed Income	2,635,049,778	29%
Absolute Return	1,330,069,099	15%
Real Assets	1,393,677,226	15%

Report as of 4/30/2026

Actual vs. Target Weight

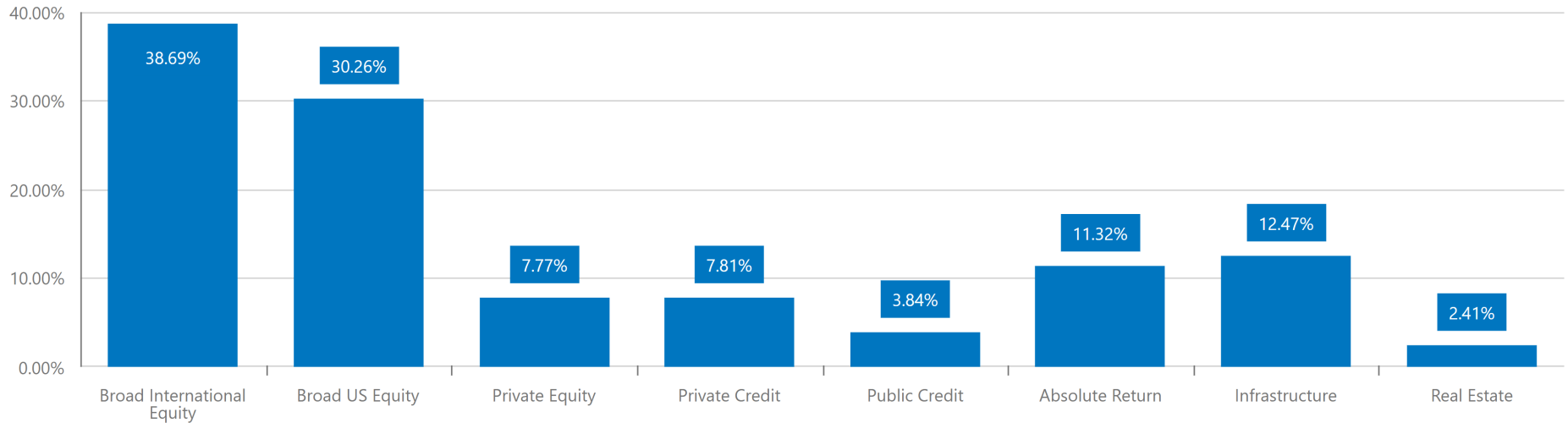


Asset	Total Value	% Of All Value	Target Weight	Over/Under %	Over/Under \$
All (MTD)	9,123,784,304	100%	100%	0%	--
Equity	3,764,988,201	41.27%	48%	-6.73%	-614,428,265
Private Equity	389,625,489	4.27%	12%	-7.73%	-705,228,627
Broad International Equity	1,622,059,348	17.78%	17%	0.78%	71,016,016
Broad US Equity	1,753,303,364	19.22%	19%	0.22%	19,784,346
Fixed Income	2,635,049,778	28.88%	22%	6.88%	627,817,231
Cash / (Leverage)	-165,829,239	-1.82%	0%	-1.82%	-165,829,239
Private Credit	1,603,906,489	17.58%	15%	2.58%	235,338,843
Public Credit	1,196,972,528	13.12%	7%	6.12%	558,307,627
Absolute Return	1,330,069,099	14.58%	12%	2.58%	235,214,983
Real Assets	1,393,677,226	15.28%	18%	-2.72%	-248,603,949
Infrastructure	679,258,248	7.44%	10%	-2.56%	-233,120,182
Real Estate	714,418,977	7.83%	8%	-0.17%	-15,483,767

Report as of 4/30/2026

Flash Performance Report

Unaudited preliminary estimates

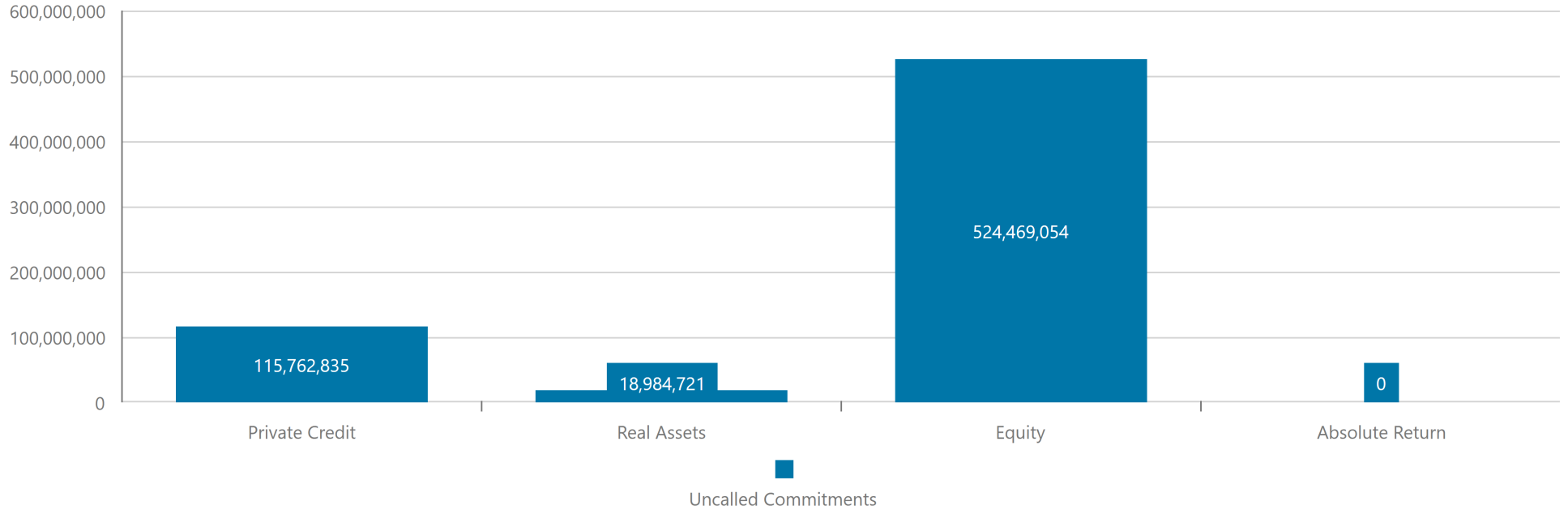


1Y : Net Of Fee Txs : Cumulative Return

Asset	MTD	QTD	YTD	FYTD	1Y
	Net of Fees Txs				
Asset	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return	Cumulative Return
Total Portfolio	3.91%	3.91%	3.91%	10.97%	16.25%
Equity	8.78%	8.78%	8.11%	19.91%	31.6%
Broad International Equity	9.54%	9.54%	11.26%	26.22%	38.69%
Broad US Equity	10.18%	10.18%	6.86%	17.25%	30.26%
Private Equity	0%	0%	0.43%	5.1%	7.77%
Fixed Income	0.25%	0.25%	0.39%	4.21%	5.93%
Private Credit	0.36%	0.36%	0.66%	5.28%	7.81%
Public Credit	0.07%	0.07%	0.01%	2.86%	3.84%
Absolute Return	2.53%	2.53%	2.32%	8.73%	11.32%
Real Assets	0.06%	0.06%	1.62%	5.16%	6.47%
Infrastructure	0.12%	0.12%	3.34%	10.01%	12.47%
Real Estate	0%	0%	0.22%	1.71%	2.41%

Report as of 4/30/2026

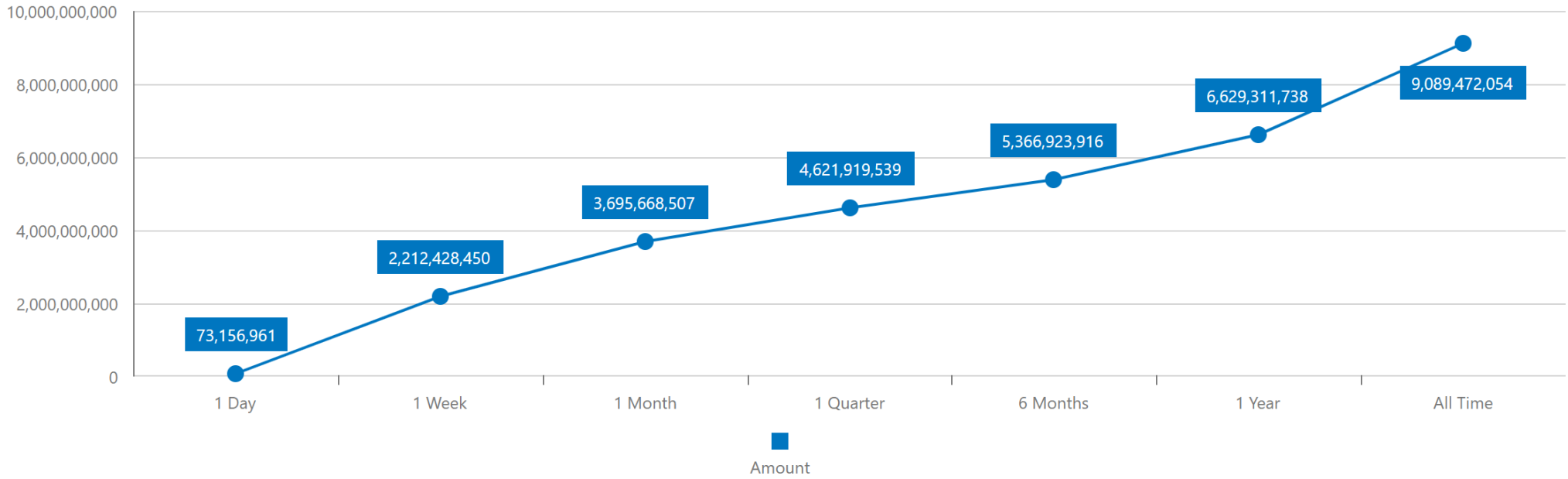
Uncalled Commitments



Asset	Commitment (\$M)	Funded Commitment (\$M)	Uncalled Commitments (\$M)
All (MTD)	4,316	3,656	659
TPG Angelo Gordon	350	340	10
GCM Grosvenor	580	222	358
Hamilton Lane	50	29	21
Khosla Ventures	85	47	38
Monarch	120	101	19
Blue Owl	125	89	36
a16z	110	42	68
Industry Ventures	50	10	40
Pantheon	100	29	71

Report as of 4/30/2026

Liquidity Waterfall



Entity	1 Day (\$M)	1 Week (\$M)	1 Month (\$M)	1 Quarter (\$M)	6 Months (\$M)	1 Year (\$1M)	All Time (\$M)
All	73	2,212	3,696	4,622	5,367	6,629	9,089
Equity	--	1,184	2,667	3,375	3,375	3,375	3,748
Fixed Income	73	1,028	1,028	1,028	1,293	1,415	2,635
Absolute Return	--	--	--	210	546	755	1,320
Real Assets	--	--	--	8	153	1,084	1,385

Measures how long it would take to liquidate the entire portfolio

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
May 28, 2026

RE: Rebalancing – Public Credit, Private Infrastructure

As of April 30, the 13.1% public credit allocation represents a \$560M overweight to target and the 7.4% infrastructure allocation represents a \$230M underweight to target. To close the gap in these over- and underweight allocations, staff intends to take the following rebalancing actions.

\$100M increase to Blackstone Infrastructure Partners (BIP)

BIP manages a \$60B global infrastructure portfolio diversified across transportation, utilities, energy/power and digital infrastructure. The board approved its initial \$120M commitment at the December 2024 meeting.

\$100M increase to JP Morgan Infrastructure Investments Fund (IIF)

IIF manages a \$50B global infrastructure portfolio diversified across regulated utilities, contracted power and transportation. The board approved its initial \$130M commitment at the September 2020 meeting.

Turn off NISA Bond Overlay

In the last 6 months, market monitor signals (attached) have moved from neutral to short, indicating an appropriate time to deactivate the bond overlay and reduce public credit exposure by \$166M.

It is expected to take up to 12 months to deploy the additional capital into infrastructure. Funds will be sourced from the public credit allocation. The combined rebalancing actions would increase the infrastructure allocation by \$200M to 9.6% and decrease the public credit allocation by \$366M to 9.1%, bringing the portfolio closer to targets.

Attachment 1: RVK Infrastructure Portfolio Exposures
Attachment 2: NISA Market Monitor Report

RVK

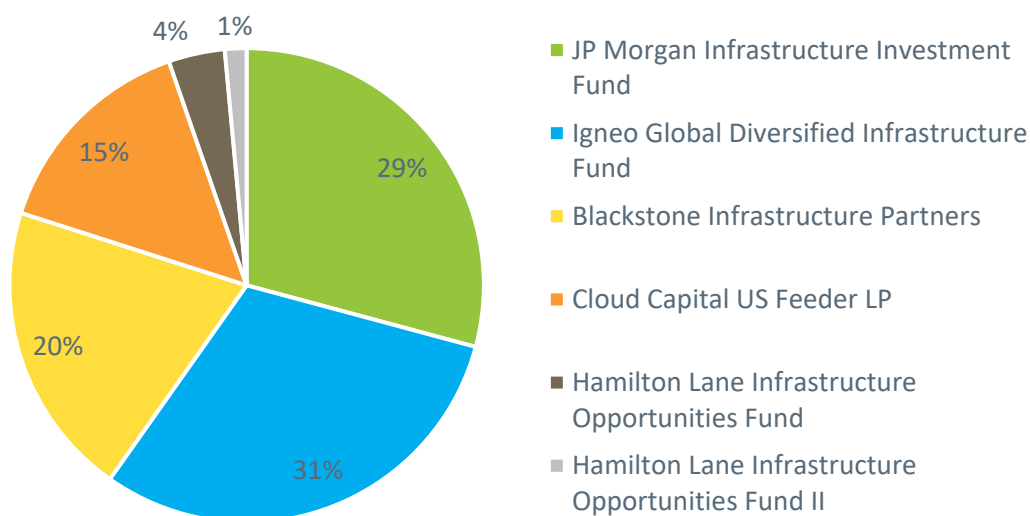
Infrastructure Portfolio Review

North Dakota Board of University and School Lands

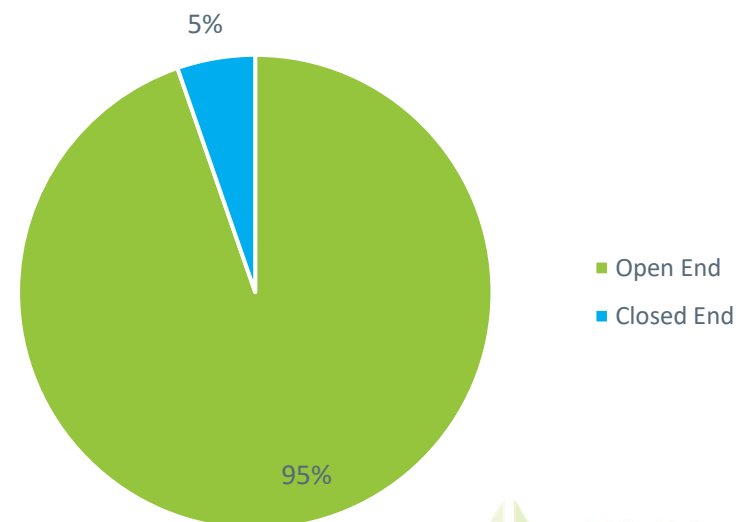
Current Infrastructure Portfolio as of 3/31/2026

Fund Name	Vintage	Asset Class	Structure	Commitment	NAV	Allocation (%)	Since Inception (%)	Fund IRR (%)
JP Morgan Infrastructure Investment Fund	N/A (Decision year: 2020)	Infrastructure	Open End	\$130,000,000	\$198,033,651	29.2%	10.8%	N/A
Igneo Global Diversified Infrastructure Fund	N/A (Decision year: 2021)	Infrastructure	Open End	\$150,000,000	\$207,754,264	30.6%	8.8%	N/A
Blackstone Infrastructure Partners	N/A (Decision year: 2024)	Infrastructure	Open End	\$120,000,000	\$136,813,778	20.2%	14.0%	N/A
Cloud Capital US Feeder LP	N/A (Decision year: 2025)	Infrastructure	Open End	\$100,000,000	\$100,000,000	14.7%	N/A	N/A
Hamilton Lane Infrastructure Opportunities Fund	2019	Infrastructure	Closed End	\$25,000,000	\$26,078,075	3.8%	N/A	13.1%
Hamilton Lane Infrastructure Opportunities Fund II	2023	Infrastructure	Closed End	\$25,000,000	\$10,042,206	1.5%	N/A	19.7%
Total				\$550,000,000	\$678,721,974	100%	10.1%*	14.1%**

Asset Allocation By Manager



Asset Allocation By NAV



Valuations for Hamilton Lane are as of 9/30/2025 adjusted for subsequent cash flows. *Since inception time-weighted return includes returns for all infrastructure funds; inception date is 2/1/2022. **IRRs are shown only for investments in closed end funds, with one year or more of cash flows, and for which an accurate IRR could be calculated. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite.

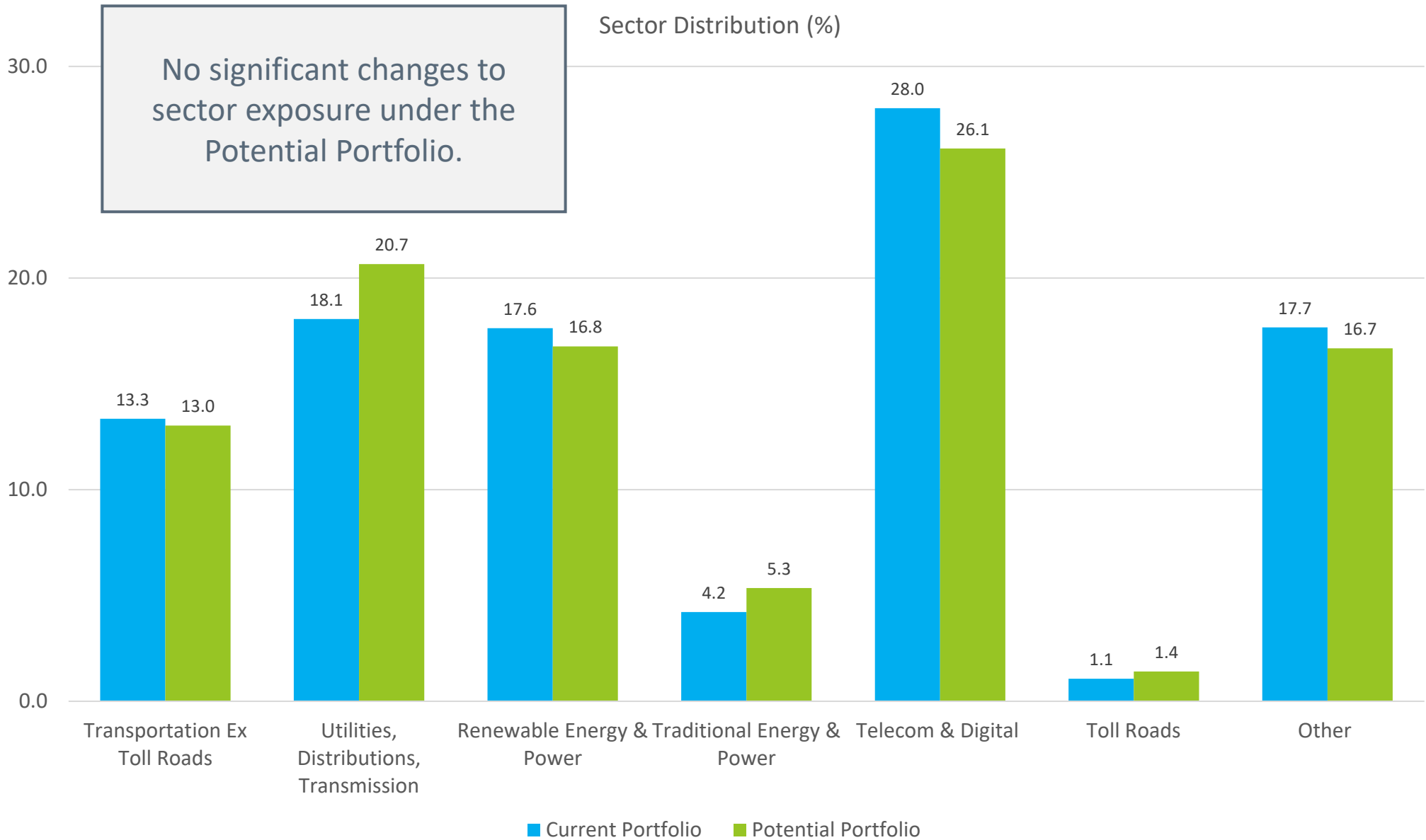


Potential Portfolio Exposure – Open-End Funds

- Explore adding \$200 million to existing open-end funds, examining one scenario:
 - **Potential Portfolio**: \$100 million to JPM, \$100 million to Blackstone
- **Potential Portfolio** increases share of JPM and Blackstone to 64% of the total open-end infrastructure portfolio, up from 52% at present.

	Current	Potential Portfolio
Igneo	32.3%	24.7%
JPM	30.8%	35.4%
Blackstone	21.3%	28.1%
Cloud	15.6%	11.9%

Potential Portfolio Exposure – Open-End Funds



Allocations based on values as of 12/31/2025.

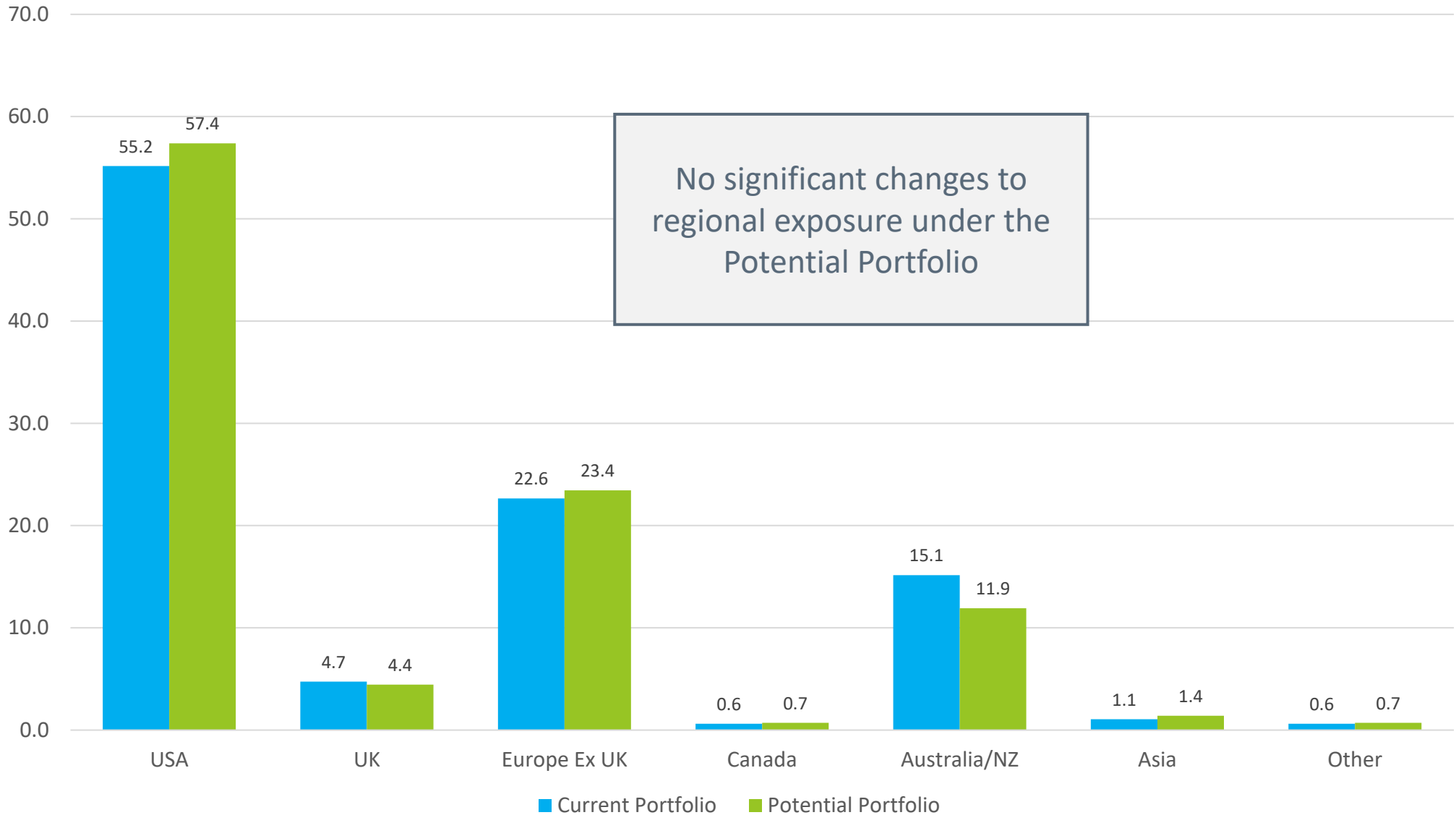
Blackstone allocation to other includes waste.

Igneo allocation to other includes waste, energy from waste, bulk liquid storage and cash.

JP Morgan allocation to other includes bulk liquid storage, rail leasing, midstream, district heating contracted, and gas storage

Potential Portfolio Exposure – Open-End Funds

Region Distribution (%)



Allocations based on values as of 12/31/2025.
JP Morgan allocation to other includes Japan and Chile.

RVK

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Market Monitor Report

North Dakota Board of University & School Lands

April 30, 2026

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All data presented are as of April 30, 2026, unless otherwise noted.

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Market Monitor Report

- The below table, provided at the request of North Dakota, highlights signals from various economic indicators based on current and historical market data.
- All economic data is readily available to market and may already be reflected in market prices.
- Data throughout the report are for informational purposes only.

Market Signals Summary

Indicator	Short	Neutral	Long	Prior 6m Change
Fed Activity	Hiking	Pause	Cutting	
Dot Plot vs. Fed Funds	Above Target	On Target	Below Target	
Inflation	Above Target	On Target	Below Target	
Unemployment	Below Expectation	Steady	Above Expectation	
5-Year 5-Year Forward Breakeven Inflation	Above Target	On Target	Below Target	
Near Term Forward Spread	Upward Sloping	Flat	Inverted	
Sahm Rule	Growing	Steady	Recession	
Implied Taylor Rule	Below Target	On Target	Above Target	

..... 10/31/2025 — 04/30/2026

Sources: Bloomberg, Dealer Indications, NISA Calculations.

This is not a recommendation, offer or solicitation to purchase or sell any securities. It is not, and should not be regarded as investment advice or as a recommendation regarding a course of action.

Indicator 1 & 2: Fed Activity & Dot Plot

Fed Activity

- Once the Fed starts raising or cutting rates, it tends to continue to do so. A market participant may want to reduce interest rate exposure when the Fed is hiking and increase it when the Fed is cutting.
- Given it has been 141 days, as of the report date, since the Fed's last hike on 12/10/2025, we are considered to be in a 'Pause'.

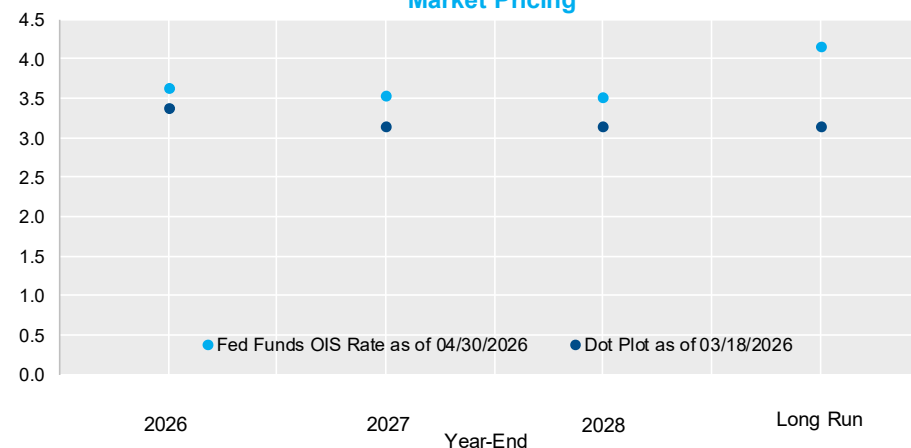
Dot Plot vs. Fed Funds

- The dot plot is one way the Fed communicates its expectations on future policy. Comparing this projection to what the market is currently forecasting can be a way to identify if increasing or decreasing interest rate exposure may be profitable if the Fed projection becomes reality.
- If the market is pricing rates above the Fed forecast, increasing rate exposure may be profitable. If below, the signal suggests decreasing rate exposure.
- The chart to the right plots the FOMC dots from the most recent Fed meetings against where the market is pricing Fed Funds future rates.
- Currently, the market is pricing in a Fed Funds future rate for 2026 year-end (3.61%) in line with where the FOMC forecast is (3.38%).

Fed Indicator

	Effective Date	Effective Rate
Prior Rate	10/29/2025	4.00
Current Rate	12/10/2025	3.75
Days Since Last Change		141
Previous Change		-0.25
Fed Rule		Pause

Market Pricing



Description	Year-End	Dot Plot as of 03/18/2026	Fed Funds OIS Rate as of 04/30/2026
FOMC DOTS Median Current Year	2026	3.38	3.63
FOMC DOTS Median Next Year End	2027	3.13	3.51
FOMC DOTS Median Next 2 Year E	2028	3.13	3.50
Longer Run Median	Long Run ²	3.13	4.14
		Year-End Dot (2026)	3.38
		Year-End Fed Funds Future (2026)	3.61
		Difference	-0.24
			On Target

Sources: Bloomberg, Dealer Indications, NISA Calculations.

¹Long run OIS is proxied using the 5Y5Y OIS Forward Swap Rate.

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Indicator 3 & 5: Inflation Measures

Inflation

- Inflation is a key objective of Fed policy. If inflation is running higher than desired, rate increases may be in the future, and decreasing rate exposure may capitalize on this (and vice-versa).
- Inflation is currently above the Fed target of 2.0%.

Inflation			
Print Date	Annualized 6M CPI	Inflation Target	Difference
04/30/2026	5.03	2.00	3.03
			Above Target

5yr / 5yr Forward Breakeven Inflation

- In addition to achieving their goal for realized inflation, the Fed hopes to anchor expectations for future inflation near their target. They have cited the 5yr/5yr forward breakeven inflation rate as a relevant measure of long-run inflation expectations. Forecasted inflation above the level desired by the Fed may indicate future rate hikes, and vice-versa.*
- The market is currently forecasting inflation in 5 years to be 2.28%, which is in line with the Fed's target.

5 Year Breakeven Inflation			
Print Date	5Y Breakeven Inflation	Desired Level	Difference
04/30/2026	2.28	2.0 - 2.5	0.00
			On Target

Sources: Bloomberg, Dealer Indications, NISA Calculations.

*The desired level of 5yr/5yr forward breakevens is above 2% because TIPS are indexed to CPI inflation, which historically runs slightly higher than the Fed's target of PCE inflation. Data as of 4/30/2026 and is for informational purposes only. This is not a recommendation, offer or solicitation to purchase or sell any securities. It is not, and should not be regarded as investment advice or as a recommendation regarding a course of action.

Indicator 4 & 7: Unemployment & Sahm Rule

Unemployment

- Maximum employment is another key objective of Fed policy. If the unemployment rate is above desired levels, rate cuts may be in the future and increasing rate exposure may be one way to benefit from this if cuts happen.
- Differences of less than 0.5% in either direction are considered “steady” unemployment, which is the current status.

Unemployment Indicator			
Print Date	Unemployment Rate	Natural	Difference
		Unemployment Rate ¹	
05/08/2026	4.30	4.20	0.10
			Steady

Sahm Rule

- Named after Fed economist Claudia Sahm, the Sahm rule attempts to indicate the beginning of a recession. Unlike the previous signal, the Sahm rule utilizes the direction of unemployment relative to history, as opposed to just the level.
- The Sahm rule measures the recent 3-month average of unemployment against the low 3-month average over the last 12 months. Rising unemployment (Sahm >0.5) could signal a recessionary environment. In recessionary environments, the Fed may need to decrease rates.
- The Inverse Sahm² rule measures the recent 3-month average of unemployment against the high 3-month average over the last 12 months. Falling unemployment (Inverse Sahm < -0.5) could signal a growth environment. In growth environments, the Fed may need to increase rates.

Sahm Rule Indicator					
Print Date	Unemployment Rate	Revised 3M Moving Avg	Prior 12M		
			High	Low	
05/08/2026	4.30	4.33	4.43	4.13	
			Rule	Signal	
			Sahm	0.20	0
			Inverse Sahm	-0.10	0
			Net Signal	0	
			Steady		

Sources: Bloomberg, Dealer Indications, NISA Calculations.

¹Estimate taken from the Median Longer-Run Unemployment Rate from the FOMC Summary of Economic Projections.

²The inverse Sahm level is not published by the Federal Reserve and is calculated by NISA.

Data as of 4/30/2026 and is for informational purposes only. This is not a recommendation, offer or solicitation to purchase or sell any securities. It is not, and should not be regarded as investment advice or as a recommendation regarding a course of action.

Indicator 6 & 8: Near Term Forward Spread & Taylor Rule

Near Term Forward Spread

- The near term forward spread is a measure of the market's expectation that short-term rates will be going up or down in the next 18 months. If the expectation is down, it may suggest increasing rate exposure to benefit if rates go down by even more than expected, and vice-versa.
- The current signal is an upward sloping curve, suggesting rates are headed higher.

Near Term Forward Spread

Print Date	3M T-Bill Rate	18M T-Bill Forward Rate	Spread
04/30/2026	3.58	4.03	0.45

Upward Sloping

Implied Taylor Rule

- The Taylor rule is a methodology to prescribe what the appropriate policy rate should be given prevailing levels of inflation and GDP growth. Measurements above the current policy rate may suggest increasing rates in the future, and vice-versa.
- The Fed Funds rate is currently 1.15% below the Taylor Rule estimate.

Taylor Rule

Inflation Rate ³	Annualized GDP Growth ⁴	Potential GDP Growth	GDP Difference (%)
3.20	2.70	1.75	0.95
Taylor Rule Estimate			4.78
Fed Funds Target - Mid			3.63
Difference			-1.15

Below Target

Sources: Bloomberg, Dealer Indications, NISA Calculations.

¹Seasonally adjusted year over year Core Price Index (PCE CYOY Index) is used for inflation rate measure.

²Seasonally adjusted year over year GDP (GDP CYOY Index) is used for GDP measure.

Data as of 4/30/2026 and is for informational purposes only. This is not a recommendation, offer or solicitation to purchase or sell any securities. It is not, and should not be regarded as investment advice or as a recommendation regarding a course of action.

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COMMISSIONER KEY PERFORMANCE INDICATORS (KPI) REPORT

The Board may consider the following Key Performance Indicators for the Commissioner's Performance Evaluation

- **CSTF Growth Since Start of Commissioner Tenure**
- **Prior Fiscal Year Investment Performance v. Index**
- **Prior Fiscal Year Unclaimed Property Return Rate**
- **Prior Fiscal Year Number of Holder Reports Filed**
- **Annual Unclaimed Property Program Growth**
- **Gallup Engagement Survey Score Trends Since Start of Commissioner Tenure**

COMMISSIONER KEY PERFORMANCE INDICATORS (KPI) REPORT

CSTF ASSET BALANCE AS OF 2/28/2026 (UNAUDITED)

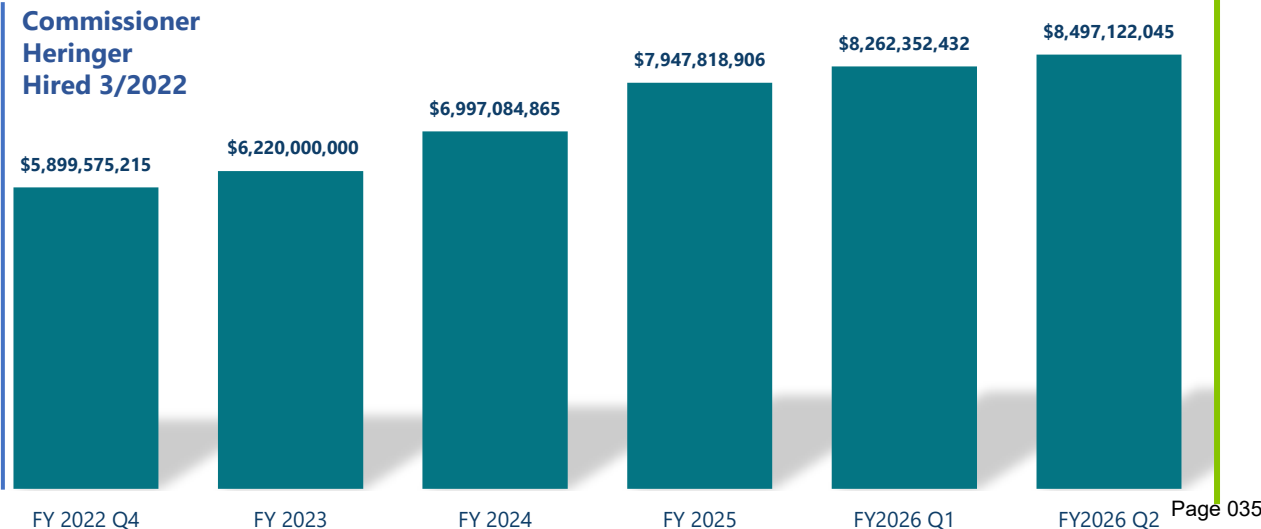
\$8,720,546,149

+\$2.82 BILLION FROM 3/30/22 BALANCE OF \$5.9 BILLION AT START OF COMMISSIONER HERINGER TENURE

CSTF TOTAL DISTRIBUTIONS AS OF 5/31/2026 (UNAUDITED) SINCE THE START OF COMMISSIONER HERINGER TENURE

\$1.07 Billion

CSTF GROWTH SINCE START OF COMMISSIONER TENURE



PRIOR FISCAL YEAR INVESTMENT PERFORMANCE V. INDEX

North Dakota Board of University and School Lands Comparative Performance

As of June 30, 2025

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years
Total Fund	5.47	6.89	11.60	11.60	9.04	8.44
Target Allocation Index (Net)	4.96	6.61	11.29	11.29	9.08	8.24
Difference	0.51	0.29	0.31	0.31	-0.04	0.20

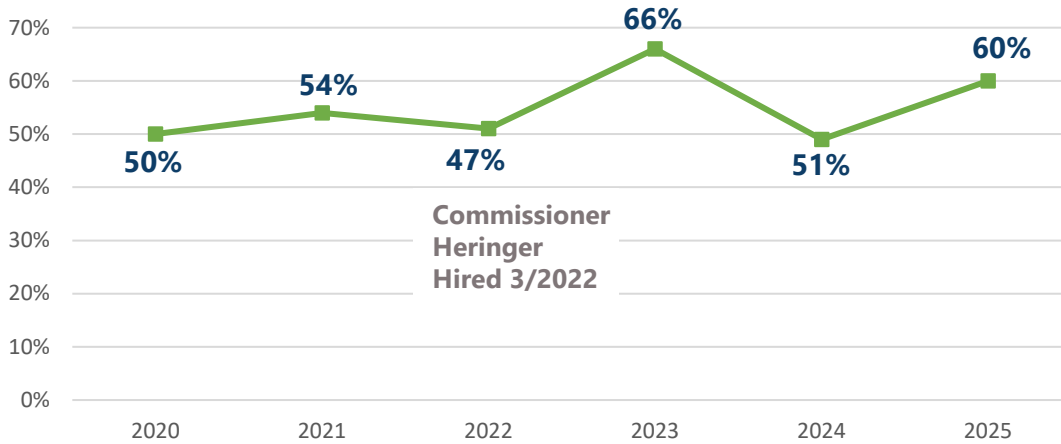
North Dakota Board of University and School Lands Comparative Performance

As of December 31, 2025

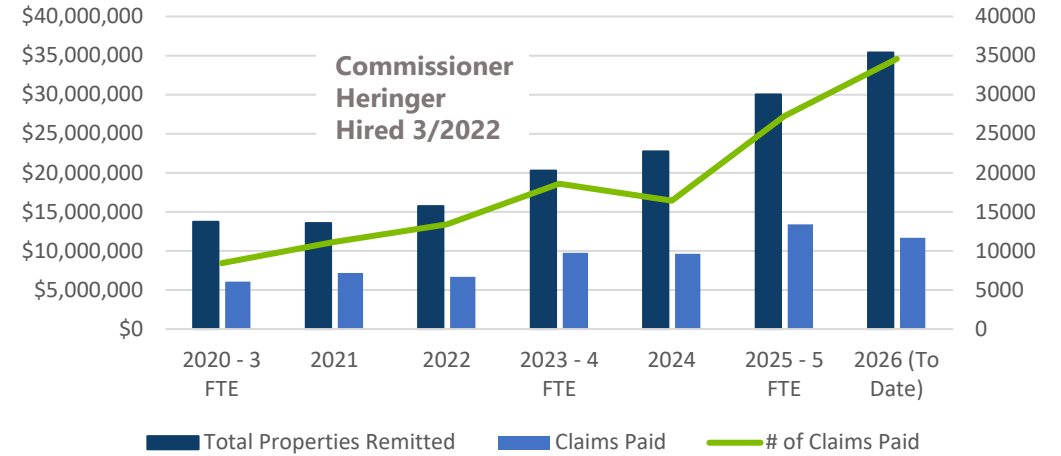
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years
Total Fund	3.00	6.76	14.18	14.18	11.15	7.25
Target Allocation Index (Net)	2.06	6.32	13.59	13.59	10.99	6.74
Difference	0.94	0.45	0.59	0.59	0.16	0.51

COMMISSIONER KEY PERFORMANCE INDICATORS (KPI) REPORT

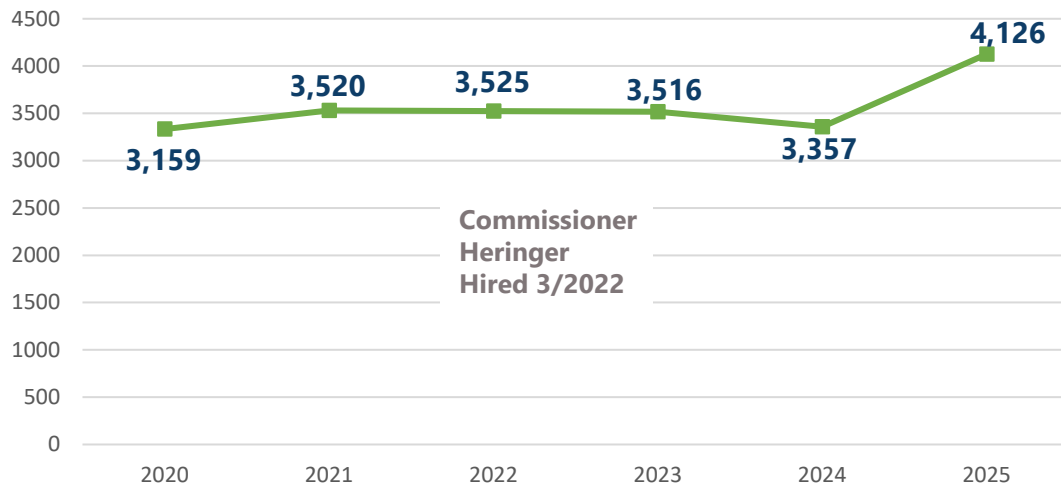
PRIOR FISCAL YEAR UNCLAIMED PROPERTY RETURN RATE



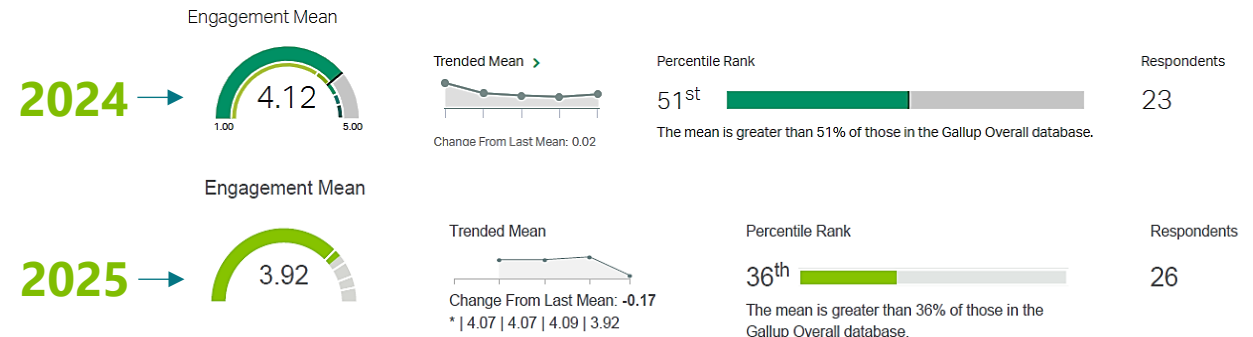
ANNUAL UNCLAIMED PROPERTY PROGRAM GROWTH



PRIOR FISCAL YEAR NUMBER OF HOLDER REPORTS FILED



GALLUP ENGAGEMENT SURVEY SCORE TRENDS SINCE START OF COMMISSIONER TENURE



2025 State Overall **3.96**

2025 DTL Overall **3.92**

JOSEPH HERINGER - TRUST LANDS COMMISSIONER

SELF EVALUTION MAY 2026

How have I advanced the agency's mission and strategic goals?

We continue to achieve record trust balances and distributions, with the CSTF approaching \$9 billion and the next biennial CSTF distribution projected to be over \$700 million. Despite volatile oil prices, our revenues remain near record highs, helped along by our implementation of more effective lease management and auction processes for our 8,600 oil & gas leases. Unclaimed property continues to set new records for both funds collected (\$30 million FY25) and claims paid (\$13.4 million FY25) due to enhanced marketing initiatives and our new direct payments program. The investment portfolio has achieved superb growth generating over \$2 billion in revenue the past three years and outperforming its benchmark by 0.41% and 1.11% over the past three and five years respectively. We continue to add more sophisticated and uncorrelated strategies to the portfolio, increasing risk-adjusted performance. Additionally, we amended the Investment Policy Statement to increase equities and reduce real estate exposure for improved diversification and higher projected long-term returns. Finally, our efforts to gradually diversify revenues have yielded success with a carbon sequestration easement secured, and new projects in the works for wind and soil carbon management.

In what ways have I demonstrated leadership in addressing complex policy and operational challenges?

1. I continue to lead my team through numerous, complex legal issues involving hundreds of millions of dollars. These issues are at all stages including settlement negotiations, pre-litigation, long-term litigation, cases before the ND Supreme Court, and active preparation for a major federal trial in September. This requires complex legal analysis and decision making and detailed coordination and collaboration with our internal legal team, SAAG firms, and the Land Board.

2. Planning to host the National Association of State Trust Lands national conference in Medora in July 2026. This has involved agenda creation and speakers procurement, venue and events planning, relationship building and collaboration with vendors and other state trust lands agencies, and fundraising through sponsorships. This has been a major undertaking that will provide great educational opportunities for attendees and our DTL team, highlight North Dakota's national leadership in surface, minerals, and investment management, and promote North Dakota in general.

3. Leading a full re-write of the Board's Administrative Rules. This was a multi-division initiative involving complex interactions of constitutional, statutory, rule, and policy authorities. It required high-level collaboration among DTL divisions, and with the Board,

Attorney General's office, and the legislature. We achieved success resulting in Administrative Rules that are more succinct, better organized, easier to read, and with some important policy changes.

How have I strengthened the efficiency, transparency, and accountability of our agency's operations and service delivery?

1. Land Board Meeting Videos – We created a new YouTube page to post video recordings of each Board meeting. This has been very successful with several positive comments received from the public, legislators, and the media.

2. O&G Lease Renewals – With our now fully built out and stable minerals team, we have been able to dedicate more time and resources to ensuring oil & gas leases are current and producing. This has allowed us to expire non-productive leases and put them back up for auction, generating \$55 million in new bonus payments.

3. Online Customer Portal & Payments – We have worked over the past year to increase awareness and use of these new tools. Empowering customers in this way creates efficiencies for staff, external partners, and the public.

4. AI Integration – We have started using AI for small projects to create efficiencies and are exploring other larger, more impactful areas such as use in audits and the creation of an internal AI agent.

How have I built and maintained effective partnerships with other agencies, citizens, and external stakeholders?

1. Unclaimed Property Voluntary Disclosure Program – This new program allows unclaimed property holders to voluntarily comply with reporting laws instead of undergoing a full audit. This has fostered goodwill and collaboration with these businesses.

2. Collaboration with NDFG, ND Parks & Rec, and the MHA Nation on two new recreational trails and three new boat docks on trust lands.

3. Worked extensively with the congressional delegation and Indian Tribes on promoting the passage of the North Dakota Trust Lands Completion Act

Where have I led or contributed to statewide initiatives or interagency efforts?

1. Part of numerous statewide interagency teams responding to the barrage of new federal land, mineral, and environmental rules.

2. Working with members of the Lignite industry, legislative leaders, and city/county groups as part of the Lignite Research Council to approve innovative grant projects for new uses of Lignite coal in North Dakota.

3. Part of a group including UND, EERC, legislators, and other state leaders working to secure grant funding for a North Dakota geothermal project study.

How have I worked in partnership with the Land Board and the legislature to ensure good governance of the Department of Trust Lands?

I have been less involved in legislative issues this past year with it being an off year, but we have continued to provide input on the implementation of the coal / critical elements legislation from last session and the administrative rules promulgated thereunder. The Land Board administrative rules changes required coordination/collaboration with the Land Board and legislature for successful completion.

How do I model integrity, transparency and accountability in decision-making?

Integrity, transparency, and accountability are very important to me, both in my personal and professional life. I model it first in how I speak with and address others, setting an example of respect, honesty, and professionalism. When there is disagreement, I ensure both sides have an opportunity to share their perspective. When I make a difficult decision I share openly and honestly the factors I weighed, the process I used, and the conclusion I reached. I try to help people understand the reasons for a decision so even if they disagree, they will still respect it.

What strategic priorities should guide the agency's work in the next year?

1. Customer buy-in and use of online portal & electronic payments
2. Implementation of unclaimed property in-state audit program
3. Revenue diversification
4. Evaluation of underperforming lands
5. Budget & legislative session planning
6. Continued investment portfolio buildout with new private equity/fixed income commitments and public bond portfolio reconfiguration
7. Litigation management

How will I lead differently to address our most critical challenges and opportunities?

After four years in this role, I have stabilized staffing, filled key positions, and built a strong, tenured leadership team. With that foundation in place, I can now lead with a greater emphasis on long-term strategy rather than focusing as much on near-term operational challenges.

This means spending more time anticipating changes in markets, evaluating long-term opportunities, and ensuring the decisions we make today are positioning trust assets well for the next 10–20 years. This includes a continued focus on capital allocation, revenue diversification, land use strategy, and evaluating underperforming assets.

I will also continue looking for ways to make our operations more efficient and transparent, including better use of technology, simplified processes, and making information easier for the public, stakeholders, and the Land Board to access and understand.

Overall, my role will be to continue setting clear direction, asking the right long-term questions, and ensuring we are not just performing well today, but building lasting value for future beneficiaries.

What support, collaboration, or resources will be essential to my success as Commissioner in the coming year?

Continued alignment and support from the Land Board will be critical, particularly as we advance long-term priorities around investments, revenue diversification, and land use strategy. Clear communication and shared understanding of objectives will help ensure timely and effective decision-making.

Support will also be especially important during the upcoming legislative session, including alignment on budget priorities and key policy issues affecting the Department.

Internally, maintaining and continuing to develop our strong leadership team will be essential. As our work grows more complex—particularly in areas like litigation, investments, and new program implementation—having the right expertise and capacity in place will be key to execution.

Collaboration with the legislature and other state agencies will also be important as we respond to evolving federal and industry dynamics.

Finally, continued investment in technology and data tools will support greater efficiency, transparency, and scalability across the organization.

RE: Litigation Update
(No Action Requested)

- **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior**

Case Summary: Missouri riverbed ownership – Quiet title action brought by the federal government is proceeding, with discovery now complete; the U.S. and MHA filed separate summary judgment motions; Court issued January 6, 2026, Opinion & Order denying both motions and ordering parties to prepare for trial; pre-trial discussions are ongoing with trial schedule to start September 1, 2026, in D.C.

Commencement: July 2020

ND Assigned Attorneys: Phil Axt, North Dakota Solicitor General
Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs
James Auslander, Kathryn Tipple, Peter Schaumberg, and Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)

Counsel for MHA: Steven D. Gordon (Holland & Knight's Washington, D.C.)
Philip Merle Baker-Shenk (Holland & Knight's Washington, D.C.)
Timothy Purdon (Robins Kaplan, Bismarck, ND)
Timothy Billion (Robins Kaplan, Minneapolis, MN)

Counsel for United States: Cody L.C. McBride, Emmi Blades, Peter W. Brocker, Rebecca M. Ross

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

Win = North Dakota owns historical Missouri Riverbed (mineral rights) through Fort Berthold Indian Reservation resulting in release to state of tens of millions of dollars in withheld oil & gas royalties.

Lose = U.S. owns the riverbed in trust for MHA Nation, so royalties are released to the tribe

- **State of North Dakota v. United States of America (OHWM Quiet Title Action)**

Case Summary: Quiet title action brought by the North Dakota Attorney General's Office on behalf of the Land Board to implement the Continental Interpleader final rulings by the 8th Circuit Court of Appeals regarding what law applies for determining the ordinary high-water mark when federal lands abut the active Missouri River channel and/or historic riverbed. Complaint filed December 15, 2025; federal Defendants requested an additional response extension to May 29, 2026, which we did not object to

Commencement:	December 2025
ND Assigned Attorneys:	Phil Axt, North Dakota Solicitor General Danielle DiMauro, Welborn Sullivan Meck & Tooley Brian Tooley, Welborn Sullivan Meck & Tooley
Counsel for Defendant(s):	TBD
Court:	North Dakota Federal District Court
Judge:	Honorable Daniel Hovland