

BOARD OF UNIVERSITY AND SCHOOL LANDS AGENDA

[Join Microsoft Teams Meeting](#)

[+1 701-328-0950](#)

Conference ID: 394 045 124#

April 29, 2021 at 9:00 AM

➤ = Board Action Requested

1. **Approval of Meeting Minutes – Jodi Smith**
Consideration of Approval of Land Board Meeting Minutes by voice vote.
 - A. March 25, 2021 – pg. 2
2. **Reports – Jodi Smith**
 - A. March Report of Encumbrances Issued by the Commissioner – pg. 14
 - B. March Oil and Gas Lease Extension Report – pg. 17
 - C. March Acreage Adjustment Report – pg. 18
 - D. March Royalty Repayment Report – pg. 20
 - E. March Unclaimed Property Report - pg. 21
 - F. January Financial Position - pg. 22
 - G. Investments Update – pg. 31
 - H. Legislative Update - pg. 32
3. **Surface – Mike Humann**
 - A. Outdoor Heritage Fund Grant – pg. 36
 - B. Foster County T147N R65W Section 4: West 50 rods of SE ¼ - pg. 38
4. **Other – Jodi Smith**
 - A. Capital Repairs – pg. 50
5. **Investments – Michael Shackelford**
 - A. Commercial Real Estate Manager – pg. 51
 - B. Securitized Credit – Schroders – pg. 91
6. **Minerals – Jodi Smith**
 - A. Repayment of Royalties – pg. 124
7. **Litigation – Jodi Smith**
 - A. Newfield Exploration Company et al Civ. No. 27-2018-CV-00143 – pg. 126
 - B. Mandan, Hidatsa, and Arikara Nation vs. United States Department of Interior, et al., 1:20-cv-01918 -pg. 128
 - C. Continental Resources Case No. 1:17-cv-00014 - pg. 130
 - D. Sorum et al. QTA – pg. 133
 - E. Whitetail Wave Case No. 27-2015-cv-00164 – pg. 134
 - **Executive session under the authority of NDCC §§ 44-04-19.1 and 44-04-19.2 for attorney consultation with the Board's attorneys.**
 - Newfield Exploration Company et al Civ. No. 27-2018-CV-00143
 - Mandan, Hidatsa, and Arikara Nation vs. United States Department of Interior, et al., 1:20-cv-01918
 - Continental Resources Case No. 1:17-cv-00014
 - Sorum et al. QTA
 - Whitetail Wave Case No. 27-2015-cv-00164
 - Legislative Update – HB 1080

**Minutes of the Meeting of the
Board of University and School Lands
March 25, 2021**

The March 25, 2021 meeting of the Board of University and School Lands was called to order at 9:00 AM via Microsoft Teams by Chairman Doug Burgum. All meeting attendees were via Microsoft Teams.

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjerm	Attorney General
Thomas Beadle	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Dennis Chua	Investment Analyst
Christopher Dingwall	Mineral Title Specialist
Scott Giere	Revenue Compliance Auditor
Peggy Gudvangen	Accounting Division Director
Roman Knudsvig	Department Intern
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer
Adam Otteson	Revenue Compliance Director
Rick Owings	EIIO Grants Administrator
Michael Shackelford	Investments Director
David Shipman	Minerals Division Director
Lynn Spencer	Mineral Title Specialist
James Wald	Legal Council
Michael Humann	Surface Division Director

Guests in Attendance:

Dave Garner	Office of the Attorney General
Leslie Bakken Oliver	Governor's Legal Counsel
Reice Haase	Office of the Governor

Additional Guests in Attendance:

Brady Pelton (NDPC)
 Craig C. Smith
 Gary Hagen
 Kevin Balaod-Journalist (Fundmap)
 Patrick Springer
 Adam Willis

A P P R O V A L O F M I N U T E S

A motion to approve the minutes of the February 25, 2021 meeting was made by Attorney General Wayne Stenehjerm and seconded by Secretary of State Alvin Jaeger and the motion carried unanimously on a voice vote.

R E P O R T S

February 2021 Report of Encumbrances Issued by Land Commissioner

Granted to: WHITING OIL AND GAS CORPORATION, DENVER-CO
 For the Purpose of: Easement: Pipeline-Oil Gathering Pipeline
 Right-of-Way Number: RW0008674
 Trust: A - Common Schools
 Legal Description: MOU-153-92-16-NW4

Granted to: MCKENZIE ELECTRIC COOPERATIVE INC, WATFORD CITY-ND
 For the Purpose of: Easement: Electric-Above Ground Distribution Replacement Line
 Right-of-Way Number: RW0008803
 Trust: A - Common Schools
 Legal Description: GOL-144-104-16-NE4, NW4

Granted to: PURITY OILFIELD SERVICES LLC, WILLISTON-ND
 For the Purpose of: Permit: Temporary Water Layflat Line
 Right-of-Way Number: RW0008821
 Trust: A - Common Schools
 Legal Description: MOU-157-90-16-NE4, MOU-158-91-16-SE4, SW4, MOU-158-91-36-NW4

Granted to: NDSU, FARGO-ND
 For the Purpose of: Permit: Access to School Land for Vegetation Study
 Right-of-Way Number: RW0008813
 Trust: A - Common Schools
 Legal Description: BRL-137-75-16-NE4, SHE-146-77-36-SW4, WEL-145-73-16-SE4, WEL-145-73-16-SW4

Granted to: USDA-NRCS, JAMESTOWN-ND
 For the Purpose of: Permit: Access to School Land for National Resource Inventory
 Right-of-Way Number: RW0008833
 Trust: A - Common Schools
 Legal Description: ADA-131-97-16-NE4, OLI-142-82-36-SE4

February Unclaimed Property Report

Unclaimed property is all property held, issued, or owing in the ordinary course of a holder's business that has remained unclaimed by the owner for more than the established time frame for the type of property. It can include checks, unpaid wages, stocks, amounts payable under the terms of insurance policies, contents of safe deposit boxes, etc.

An owner is a person or entity having a legal or equitable interest in property subject to the unclaimed property law. A holder can include a bank, insurance company, hospital, utility company, retailer, local government, etc.

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian of the unclaimed property received from holders. The property is held in trust in (03/25/21)

perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of February 2021, the Division received 40 holder reports with a property value of \$71,212 and paid 792 claims with a total value of \$566,765.

Energy Infrastructure and Impact Office Quarterly Program Report

The Energy Infrastructure and Impact Office (EIIO) is a division within the Department of Trust Lands (Department). EIIO provides financial assistance to local units of government that are impacted by oil and gas activity. In turn, EIIO receives a portion of the Oil and Gas Gross Production Tax. The office has been a part of the Department since 1977 and was formally known as the Energy Development Impact Office created under N.D.C.C. ch. 57-62. Over the course of the past 40 years, EIIO has dispersed over \$626 million in funding.

The Oil and Gas Impact Grant Fund currently has 12 grants with a balance of \$1,591,589.01 as of March 9, 2021. The following shows grant activity for the last seven months:

Oil and Gas Impact Grant Fund	Grants with balances	Current Balance Obligated to Grants
9/9/2020	22	\$5,282,832.07
12/1/2020	17	\$2,833,286.75
3/9/2021	12	\$1,591,589.01

The Energy Impact Fund, established within Senate Bill 2013 as enacted by the Sixty-fifth Legislative Assembly, was created to supplement the Oil and Gas Impact Grant Fund for the 2017-2019 biennium. This fund currently has three grants with a balance of \$1,434,396.94 as of March 9, 2021. House Bill 1013 of the Sixty-sixth Legislative Assembly requires the Commissioner of University and School Lands to transfer any unexpended funds remaining in the Energy Impact Fund when the fund is repealed on June 30, 2021, to the Oil and Gas Impact Grant Fund.

EIIO is working with the Williston Basin International Airport and the North Dakota Aeronautics Commission regarding the timeline to get these grants closed out by June 30, 2021. The following shows grant activity for the last seven months:

Energy Impact Fund	Grants with balances	Current Balance Obligated to Grants
9/9/2020	3	\$2,394,929.22
12/1/2020	3	\$1,752,239.48
3/9/2021	3	\$1,434,396.94

EIIO is currently managing 15 grants for a total of \$3,025,985.95. The following shows grant activity for the last seven months:

Oil and Gas Impact Grant Fund	Grants with balances	Current Balance Obligated to Grants	Energy Impact Fund	Grants with balances	Current Balance Obligated to Grants	Total between both Funds
9/9/2020	22	\$5,282,832.07	9/9/2020	3	\$2,394,929.22	\$7,677,761.29
12/1/2020	17	\$2,833,286.75	12/1/2020	3	\$1,752,239.48	\$4,585,526.23
3/9/2021	12	\$1,591,589.01	3/9/2021	3	\$1,434,396.94	\$3,025,985.95

The Financial Report (Unaudited) for period ending December 31, 2020 was presented to the Board for review and is available at the Department upon request.

Investment Updates

Portfolio Rebalancing Updates

The Investment Management Agreement with Loomis, Sayles & Co. Multi-Credit Strategy (Loomis) was executed and fully funded with \$100M on March 1, 2021. Funding for Loomis came from a partial redemption made on the Brandywine Global Opportunity Fixed Income Fund. JP Morgan's Intermediate Bond strategy is currently being transitioned to a Core Bond Strategy as approved by the Board.

As of March 15, 2021, Harvest MLP was fully liquidated with the majority of the proceeds from the liquidation transferred to the transition account awaiting deployment through capital calls.

Asset Allocation

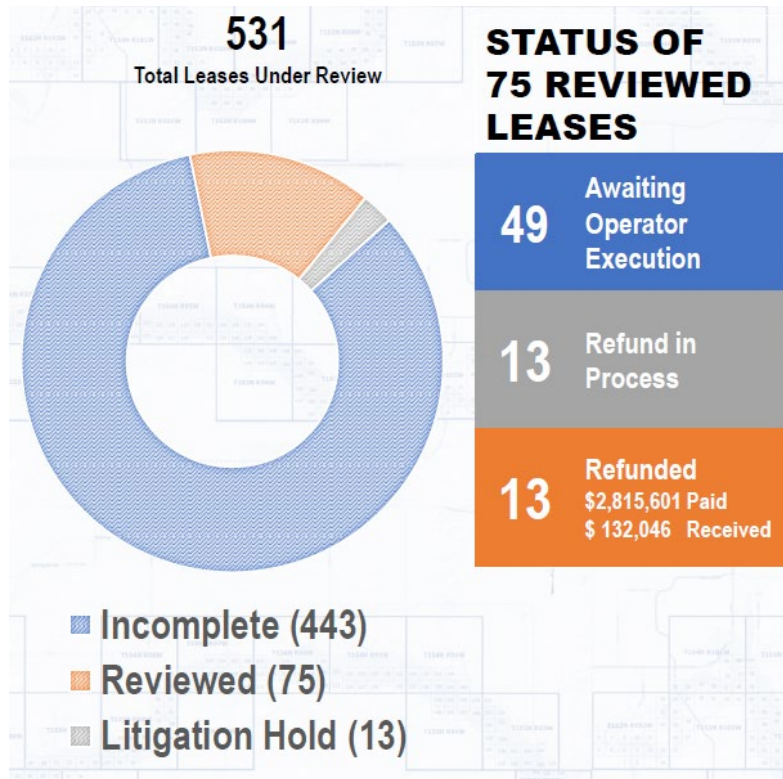
The table below shows the status of the permanent trusts' asset allocation as of March. 16, 2021. The figures provided are unaudited.

As of March 16, 2021	Market Value \$	Actual	Target	Lower Range	Upper Range
Broad US Equity	1,195,572,380.73	21.0%	19.0%	14.0%	24.0%
Broad Int'l Equity	1,163,905,442.52	20.5%	19.0%	14.0%	24.0%
Fixed Income	1,125,621,251.58	19.8%	22.0%	17.0%	27.0%
Transition Account	548,452,547.47	9.7%	0.0%	-5.0%	5.0%
Absolute Return	861,230,903.11	15.2%	15.0%	10.0%	20.0%
DIS	96,798.82	0.0%	0.0%	-5.0%	5.0%
Real Estate	737,268,604.00	13.0%	15.0%	10.0%	20.0%
Private Equity (Grosvenor)	-	0.0%	5.0%	0.0%	10.0%
Private Infrastructure (JPM-Infra)	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments (Varde & Apollo)	48,211,681.00	0.8%	0.0%	-5.0%	5.0%
Portfolio Total	5,680,359,609.23	100.0%			

Upcoming Investment Manager Meetings

There is no upcoming meeting scheduled.
(03/25/21)

Acreage Adjustment Survey Report



March Legislative Update

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
HB 1031	Relating to legislative management studies of state agency fees; to provide for a legislative management study relating to establishing new state agency fees; and to declare an emergency.	Legislative Management	Gov't & Veterans Affairs	PASSED yeas 92 nays 0 RETURNED – 03/08	Passed as amended yeas 45 nays 2	
HB 1080	Relating to the obligation to pay oil and gas royalties on leases owned and managed by the board of	Rep. Dockter	Finance & Taxation	PASSED yeas 83 nays 10	Introduced Amendment adopted – 3/25 Ref – APP – 3/25 3/30/2021	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	university and school lands.				3:00 PM	
HB 1081	Relating to access to and activities on trust lands; and to provide a penalty.	Rep. Zubke	Energy & Natural Resources	PASSED yeas 68 nays 25 SIGNED BY SPEAKER Sent to Governor	PASSED yeas 40 nays 7 SIGNED BY PRESIDENT	Signed by Governor
HB 1349	Relating to open record and meeting laws; to amend and reenact subsection 9 of section 44-04-17.1, sections 44-04-18.27 and 44-04-19, subsections 1 and 2 of section 44-04-20, and section 44-04-30 of the North Dakota Century Code, relating to open record and meeting laws; and to provide a penalty.	Rep. Devlin, Karls Sen. Dwyer, Lee, Oban	Political Subdivisions	PASSED yeas 90 nays 4 RETURNED – 3/30	PASSED as amended yeas 47 nays 0	
HB 1358	Relating to oil and gas tax revenue hedging; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide a statement of legislative intent; and to declare an emergency.	Rep. Kempenich, Christensen, Mock, Steiner, Trottier Sen. Bekkedahl, Dwyer, Schaible	Finance & Taxation	PASSED yeas 80 nays 14	Introduced Amndmnt Adpt – 3/25 Ref – APPS – 3/25 4/02/2021 8:30 AM	
SB 2013	A BILL for an Act to provide an appropriation for defraying	Appropriations	Appropriations	Introduced 03-05-2021 10:30 AM 03-15-2021 10:00 AM	PASSED yeas 47 nays 0	

(03/25/21)

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; to provide a report; and to provide an exemption			DP as amended – 3/26		
SB 2036	A BILL for an Act to provide for a legislative management study regarding access to lands and electronic posting.	Legislative Management	Energy & Natural Resources	PASSED yeas 91 nays 2 SIGNED BY SPEAKER	PASSED yeas 45 nays 2 SIGNED BY PRESIDENT Sent to Governor	
SB 2048	Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02, sections 26.1-55-04, 27-05.2-04, and 30.1-20-14, subsection 3 of section 35-20-17, sections 35-36-05, 38-13.1-03, 38-18.1-03, and 44-04-18.25,	Industry, Business and Labor	Industry, Business & Labor	PASSED as amended yeas 93 nays 0	PASSED yeas 47 nays 0 RETURNED - 3/25	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	subsection 3 of section 47-16-07.1, section 54-27-15.1, subsection 6 of section 57-38-57, subsection 8 of section 57-39.2-23, and section 60-01-34 of the North Dakota Century Code, relating to abandoned and unclaimed property; to repeal chapter 47-30.1 of the North Dakota Century Code, relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.					
SB 2065	Relating to the authority of the board of university and school lands to lease lands under its control for the underground storage of oil or gas and the jurisdiction of the industrial commission to regulate the permitting and amalgamation	Energy & Natural Resources	Energy & Natural Resources	Introduced 03-04-2021 09:00 AM	PASSED yeas 40 nays 7	

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	of the underground storage of oil or gas.					
SB 2070	Relating to the regulated substance response; to amend and reenact sections 11-33-01, 23.1-10-02, 40-47-01, and 58-03-11 of the North Dakota Century Code, relating to the regulated substance response; to repeal sections 23.1-04-04 and 23.1-10-01 of the North Dakota Century Code, relating to contaminated properties; to provide a continuing appropriation; and to provide for retroactive application.	Energy & Natural Resources	Energy & Natural Resources	PASSED yeas 82 nays 12 SIGNED BY SPEAKER	PASSED yeas 46 nays 1 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24
SB 2144	Relating to criminal trespass and electronic posting; and to provide a penalty.	Sen. Erbele, Patten, Bell Rep. Damschen, Dobervich, Tveit	Finance & Taxation	PASSED as amended yeas 86 nays 6	PASSED yeas 45 nays 2 RETURNED – 3/26	
SB 2191	Relating to the disposal of abandoned	Sen. Holmberg	Political Subdivisions	PASSED yeas 86 nays 6	PASSED yeas 46 nays 0	SIGNED BY GOVERNOR Filed with

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	personal property			SIGNED BY SPEAKER	SIGNED BY PRESIDENT	Secretary of State – 3/24
SB 2217	Relating to the deduction or recovery of losses incurred in the sale or disposition of natural gas from the proceeds of oil production; and to provide for a legislative management study.	Sen. Bekkedahl, Dwyer, Kannianen Rep. Brandenburg, Kempenich, Zubke	Finance & Taxation	PASSED as amended yeas 93 nays 0	PASSED yeas 32 nays 15 RETURNED – 3/25	
SB 2282	Relating to membership of the board of university and school lands; and to provide a contingent effective date.	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	Introduced 03-25-2021 02:30PM	PASSED yeas 30 nays 17	
SB 2291	Relating to social investments made by the state investment board; to provide for a department of commerce study of the implications of complete divestment of companies that boycott energy or commodities; to provide for reports to legislative management; and to declare an emergency	Sen. Bell	Energy & Natural Resources	PASSED yeas 82 nays 12 SIGNED BY SPEAKER	PASSED yeas 42 nays 4 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24
SB 2317	Relating to the establishment of a coal mine reclamation trust utilizing private assets;	Sen. Bell Rep. Porter	Energy & Natural Resources	PASSED As amended yeas 90 nays 2	PASSED yeas 42 nays 5 RETURNED – 3/19	

(03/25/21)

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	and to provide for a transfer.					
SB 2319	Relating to oil and gas agreements; to provide for application; and to provide a contingent effective date.	Sen. Kannianen	Finance & Taxation	Introduced 03-23-2021 09:00AM	PASSED yeas 25 nays 21	
SCR 4007	Relating to the membership of the board of university and school lands	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	Introduced 03-25-2021 2:30PM	PASSED yeas 32 nays 14	
SCR 4013	A concurrent resolution urging Congress to pass the North Dakota Trust Lands Completion Act.	Sen Marcellais, Heckaman, Kannianen, Schaible Rep. Trottier	Energy & Natural Resources	PASSED voice vote	PASSED voice vote RETURNED - 3/30	

LITIGATION

United States Department of Interior M-37056

The Board was provided with two United States Department of Interior memorandums that are available at the Department upon request.

EXECUTIVE SESSION

Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation relating to:

- Legislative Update
- United States Department of Interior M-37056

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler			X		
Treasurer Beadle		X	X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

The Board entered into executive session in a separate Microsoft Teams meeting at 9:30 AM with members of the public remaining in the open session Microsoft Teams meeting.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kirsten Baesler	Superintendent of Public Instruction
Thomas Beadle	State Treasurer

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Catelin Newell	Administrative Staff Officer
Kristie McCusker	Paralegal
Adam Otteson	Revenue Compliance
James Wald	Legal Council

Guests in Attendance:

Leslie Bakken Oliver	Governor's Legal Counsel
Dave Garner	Office of the Attorney General
Charles Carvell	Office of the Attorney General
Reice Haase	Governor's Policy Advisor

The executive session adjourned at 10:34 AM and the Board returned to the open session Teams meeting to rejoin the public. During the executive session Teams meeting, the Board was provided information and no formal action was taken.

A D J O U R N

There being no further business, the meeting was adjourned at 10:35 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: March Report of Encumbrances Issued by Land Commissioner
(No Action Requested)

Granted to: **CONTINENTAL RESOURCES INC, OKLAHOMA CITY-OK**
For the Purpose of: On-lease Activity: Pipeline-Multiple Pipelines & Communication
Cable
Right-of-Way Number: RW0008806
Date Issued: 3/5/2021
Application Fee: N/A
Right-of-way Income: \$398.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 58.95
Area (Acres): 1.12
Legal Description: DUN-147-96-36-NW4

Granted to: **ROBB NARUM, BOWMAN-ND**
For the Purpose of: Easement: Pipeline-Potable Water Pipeline
Right-of-Way Number: RW0008824
Date Issued: 3/16/2021
Application Fee: \$250.00
Right-of-way Income: \$93.36
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 6.21
Area (Acres): 0.08
Legal Description: SLO-133-100-16-NW4

Granted to: **BISON MIDSTREAM LLC, HOUSTON-TX**
For the Purpose of: Easement: Pipeline-Gas Gathering Pipeline
Right-of-Way Number: RW0008830
Date Issued: 3/19/2021
Application Fee: \$250.00
Right-of-way Income: \$60,285.00
Damage Payment to Lessee: \$139.34
Trust: A - Common Schools
Length (Rods): 278.69
Area (Acres): 3.48
Legal Description: MOU-158-91-16-SE4, SW4

Granted to: **SLAWSON EXPLORATION COMPANY INC, DENVER-CO**
For the Purpose of: Easement: Pipeline-Oil Gathering Pipeline
Right-of-Way Number: RW0008637
Date Issued: 3/29/2021
Application Fee: \$100.00
Right-of-way Income: \$12,188.00
Damage Payment to Lessee: \$91.41
Trust: A - Common Schools
Length (Rods): 121.88
Area (Acres): 1.52
Legal Description: MOU-152-92-14-SE4

Granted to: **HESS NORTH DAKOTA PIPELINES, LLC, HOUSTON-TX**
For the Purpose of: Easement-Amend: Pipeline-Multiple Pipelines & Communication Cable
Right-of-Way Number: RW0008809
Date Issued: 3/29/2021
Application Fee: \$250.00
Right-of-way Income: N/A
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 244.50
Area (Acres): 2.77
Legal Description: MOU-157-93-36-SE4, SW4

Granted to: **CATES EARTH SCIENCE TECHNOLOGIES INC, BISMARCK-ND**
For the Purpose of: Permit: Temporary Water Layflat Line
Right-of-Way Number: RW0008827
Date Issued: 3/9/2021
Application Fee: \$250.00
Right-of-way Income: \$100.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 6.05
Area (Acres): 0.00
Legal Description: MOU-150-92-10-S2SW4

Granted to: **SELECT ENERGY SERVICES LLC, WILLISTON-ND**
For the Purpose of: Permit: Temporary Water Layflat Line
Right-of-Way Number: RW0008832
Date Issued: 3/9/2021
Application Fee: \$250.00
Right-of-way Income: \$917.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 55.58
Area (Acres): 0.00
Legal Description: MOU-156-94-16-SW4

Granted to: **ND GAME & FISH DEPT, RIVERDALE-ND**
For the Purpose of: Permit: Access to School Land
Right-of-Way Number: RW0008841
Date Issued: 3/10/2021
Application Fee: 0.00
Right-of-way Income: 0.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 0.00
Area (Acres): 0.00
Legal Description: PIE-152-73-16-SW4NE4, LOTS 1,2,3

Granted to: **NDSU (DEPT 7650), FARGO-ND**
For the Purpose of: Permit-Amend: Access to School Land
Right-of-Way Number: RW0008846
Date Issued: 3/10/2021

Application Fee: \$0.00
Right-of-way Income: \$0.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 0.00
Area (Acres): 0.00
Legal Description: DIV-160-101-36-SE4
EDD-149-62-36-SW4

Granted to: USDA-NRCS MLRA 53B SOIL SURVEY OFFICE, BISMARCK-ND

For the Purpose of: Permit: Access to School Land
Right-of-Way Number: RW0008847
Date Issued: 3/29/2021
Application Fee: \$0.00
Right-of-way Income: \$0.00
Damage Payment to Lessee: N/A
Trust: A – Common Schools
N – North Dakota State University
U – University of North Dakota
Length (Rods): 0.00
Area (Acres): 0.00
Legal Description: RAM-155-60-10-NE4
RAM-155-60-12-NE4, NW4

Granted to: HDR ENGINEERING INC, BISMARCK-ND

For the Purpose of: Permit: Planning & Preconstruction Survey
Right-of-Way Number: RW0008836
Date Issued: 3/9/2021
Application Fee: \$250.00
Right-of-way Income: \$500.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 0.00
Area (Acres): 0.00
Legal Description: All Trust Land in North Dakota

Granted to: 4TH DIMENSION SURVEYING AND CONSULTING INC, WILLISTON-ND

For the Purpose of: Permit: Planning & Preconstruction Survey
Right-of-Way Number: RW0008851
Date Issued: 3/29/2021
Application Fee: \$250.00
Right-of-way Income: \$500.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): 0.00
Area (Acres): 0.00
Legal Description: All Trust Land in North Dakota

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: March Oil and Gas Lease Extension Report
(No Action Requested)

In January 2020, North Dakota Administrative Code § 85-06-01-06 was enacted. It provides a lessee the option to request a lease extension.

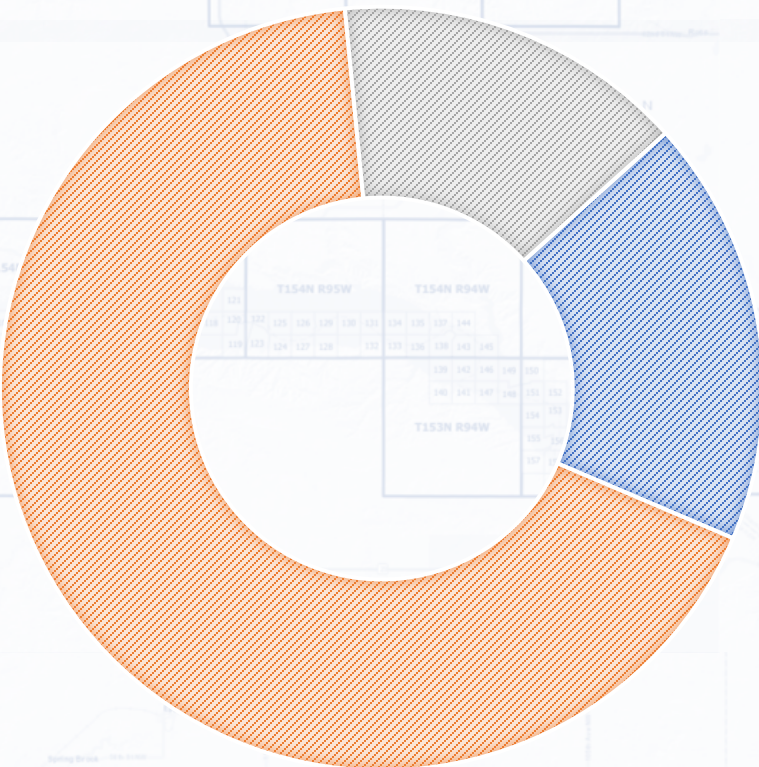
Continental Resources, Inc., of Oklahoma City, Oklahoma, received a second six-month extension on four leases in Section 30-154N-97W, McKenzie County, and two leases in Section 31-154N-97W, McKenzie County. They have completed the Dallas 4-30 H Well and are in search of a natural gas pipeline.

MARCH ACREAGE ADJUSTMENT SURVEY REPORT

531

Total Leases Under Review

STATUS OF 96 REVIEWED LEASES



64


Awaiting
Operator
Execution

9

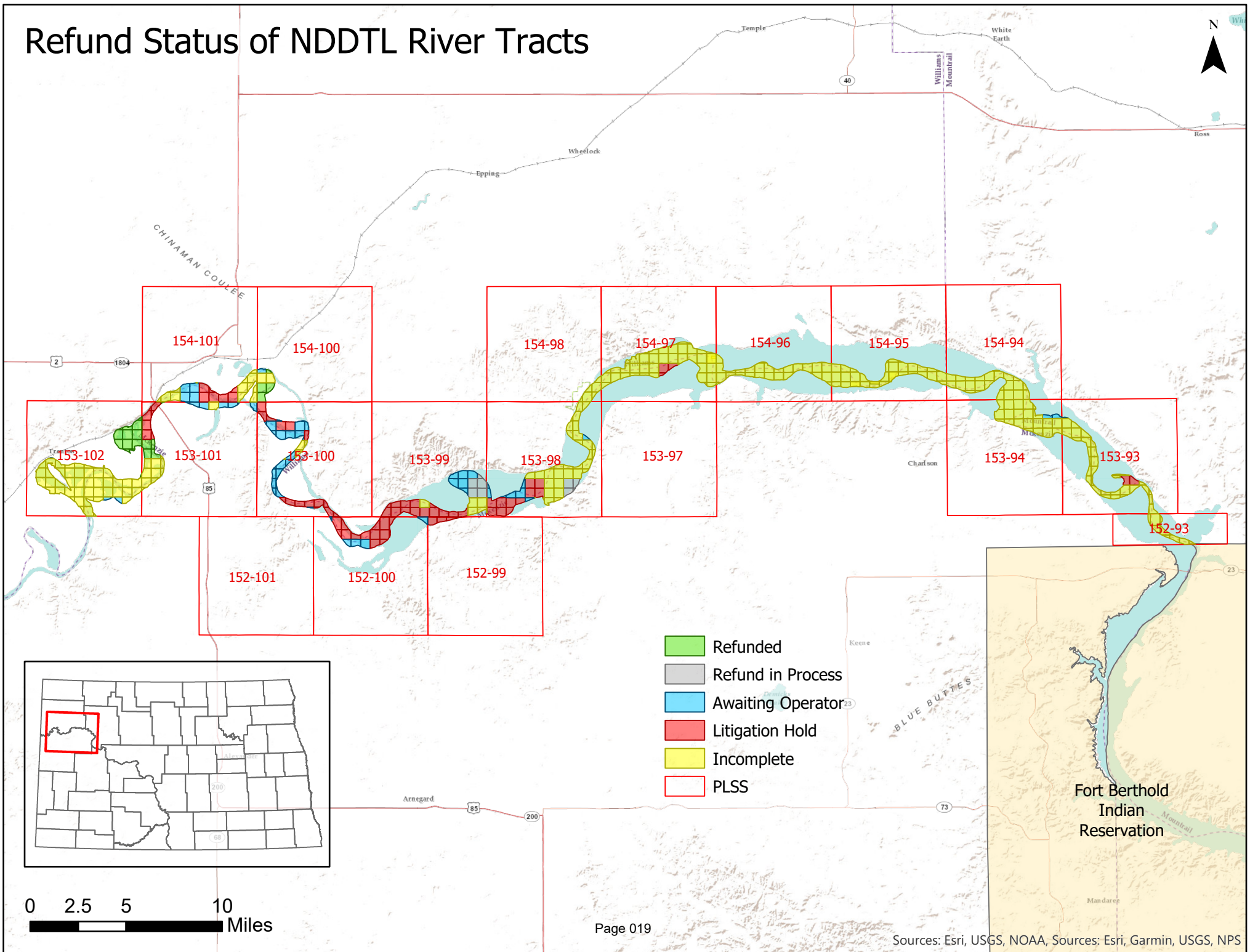
Refund in
Process

23

Refunded
\$3,254,800 Paid
\$ 132,046 Received

-  Reviewed (96)
-  Incomplete (356)
-  Litigation Hold (79)

Refund Status of NDDTL River Tracts



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Repayment of Unpaid Royalties Report
(No Action Requested)

Since the March 25, 2021, Board of University and School Lands meeting, one payor has come into compliance for gas deductions:

- Marathon Oil

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: March Unclaimed Property Report
(No Action Requested)

Unclaimed property is all property held, issued, or owing in the ordinary course of a holder's business that has remained unclaimed by the owner for more than the established time frame for the type of property. It can include checks, unpaid wages, stocks, amounts payable under the terms of insurance policies, contents of safe deposit boxes, etc.

An owner is a person or entity having a legal or equitable interest in property subject to the unclaimed property law. A holder can include a bank, insurance company, hospital, utility company, retailer, local government, etc.

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian of the unclaimed property received from holders. The property is held in trust in perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of March 2021, the Division received 130 holder reports with a property value of \$157,314 and paid 807 claims with a total value of \$894,409.

ITEM 2E

NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS

Financial Position Report
(Unaudited)

For period ended January 31, 2021



Board of University and School Lands

Comparative Financial Position (Unaudited)

Schedule of Net Assets

Assets by Trust:	January 31, 2021	January 31, 2020
Common Schools	\$5,196,080,408	\$4,842,243,084
North Dakota State University	77,644,627	72,769,421
School for the Blind	13,940,911	13,021,959
School for the Deaf	22,476,254	21,391,546
State Hospital	15,099,427	14,529,110
Ellendale *	24,982,308	22,902,928
Valley City State University	13,757,010	13,056,031
Mayville State University	8,998,378	8,318,096
Youth Correctional Center	26,756,621	24,229,601
State College of Science	20,024,849	18,672,993
School of Mines **	24,023,031	22,341,097
Veterans Home	5,582,956	5,366,501
University of North Dakota	37,643,404	35,142,477
Capitol Building	4,016,714	6,234,413
Strategic Investment and Improvements	582,241,856	732,766,497
Coal Development	71,237,152	71,219,664
Indian Cultural Education Trust	1,381,215	1,326,591
Theodore Roosevelt Presidential Library	52,227,323	15,668,856
Total	\$6,198,114,444	\$5,941,200,865
Assets by Type:		
Cash	195,752,503	82,229,672
Receivables	9,180,596	10,943,897
Investments ***	5,842,289,471	5,766,480,783
Office Building (Net of Depreciation)	336,120	400,092
Farm Loans	5,726,703	9,452,329
Energy Construction Loans	920,119	945,376
Energy Development Impact Loans	10,099,358	10,844,799
School Construction Loans (Coal)	38,908,935	41,391,562
Due to/from Other Trusts and Agencies	94,900,639	18,512,355
Total	\$6,198,114,444	\$5,941,200,865

*** Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

Dickinson State University	School for the Blind
Minot State University	Veterans Home
Dakota College at Bottineau	State Hospital
	State College of Science - Wahpeton

**** School of Mines**

Benefits of the original grant to the School of Mines are distributed to the University of North Dakota.

***** Investments**

Includes available cash available for loans, investments, abandoned stock and claimant liability.

Board of University and School Lands

Comparative Financial Position (Unaudited)

Combined Permanent Trusts

	January 31, 2021	January 31, 2020
Balance Sheet		
Assets:		
Cash	\$60,148,417	\$57,310,361
Interest Receivable	8,103,253	7,974,564
Investments	5,416,891,923	5,036,031,081
Farm Loans	5,726,703	9,452,329
Energy Construction Loans	920,119	945,376
Due from Other Agencies	11,531,517	18,426,519
Office Building (Net of Depreciation)	336,120	400,092
Total Assets	\$5,503,658,052	\$5,130,540,322
Liabilities:		
Unclaimed Property Claimant Liability	\$16,645,538	\$16,551,604
Due to Other Trusts	-	-
Due to Other Funds	2,329	3,874
Accounts Payable	-	-
Total Liabilities	16,647,867	16,555,478
Equity:		
Fund Balance	4,892,120,248	4,919,177,984
Net Income/(Loss)	594,889,937	194,806,860
Total Liabilities and Equity	\$5,503,658,052	\$5,130,540,322
Income Statement		
Income:		
Investment Income	\$75,065,556	\$71,457,158
Realized Gain/(Loss)	76,809,015	(6,703,776)
Unrealized Gain/(Loss)	472,238,552	93,009,308
Royalties - Oil and Gas	53,938,544	84,056,077
Royalties - Coal	178,566	300,913
Royalties - Aggregate	596,905	176,705
Bonuses - Oil and Gas	952,472	8,105,517
Bonuses - Coal	-	24,000
Rents - Surface	10,522,656	11,293,957
Rents - Mineral	148,027	123,032
Rents - Coal	12,100	28,732
Rents - Office Building	70,702	-
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	25,000
Oil Extraction Tax Income	33,970,189	62,711,692
Unclaimed Property Income	9,283,769	9,248,631
Total Income	733,787,053	333,856,946
Expenses and Transfers:		
Investment Expense	3,375,399	3,821,502
In-Lieu and 5% County Payments	-	-
Administrative Expense	2,294,045	1,828,024
Operating Expense - Building	92,672	265,560
Transfers to Beneficiaries	133,135,000	133,135,000
Total Expense and Transfers	138,897,116	139,050,086
Net Income/(Loss)	\$594,889,937	\$194,806,860

Board of University and School Lands

Comparative Financial Position (Unaudited)

Capitol Building Trust

	January 31, 2021	January 31, 2020
Balance Sheet		
Assets:		
Cash	\$773,970	\$586,439
Interest Receivable	21,445	32,137
Investments	3,221,300	5,615,838
Total Assets	\$4,016,715	\$6,234,414
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	5,535,786	6,548,608
Net Income	(1,519,071)	(314,194)
Total Liabilities and Equity	\$4,016,715	\$6,234,414
Income Statement		
Income:		
Investment Income	\$45,370	\$97,225
Realized Gain(Loss)	1,895	20,841
Unrealized Gain/(Loss)	(18,217)	(2,806)
Rents - Surface	156,218	158,525
Rents - Mineral	1,602	1,602
Royalties - Oil and Gas	418,742	579,343
Bonuses - Oil and Gas	2,160	802
Bonus - Coal	-	-
Royalties - Aggregate	-	-
Total Income	607,770	855,532
Expenses and Transfers:		
Investment Expense	1,587	1,919
In-Lieu and 5% County Payments	-	-
Administrative Expense	19,014	13,447
Transfers to Facility Management	1,100,000	1,100,000
Transfers to Legislative Council	36,240	54,360
Transfer to Supreme Court	970,000	-
Total Expense and Transfers	2,126,841	1,169,726
Net Income/(Loss)	(\$1,519,071)	(\$314,194)

Board of University and School Lands

Comparative Financial Position (Unaudited)

Coal Development Trust

	<u>January 31, 2021</u>	<u>January 31, 2020</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$1,098,023	\$13,926
Interest Receivable	152,222	526,020
Investments	20,903,553	18,357,203
Coal Impact Loans	10,099,358	10,844,799
School Construction Loans	38,908,935	41,391,562
Due from other Trusts and Agencies	250,199	287,171
Total Assets	<u>\$71,412,290</u>	<u>\$71,420,681</u>
Liabilities:		
Due to Other Trusts and Agencies	\$175,139	\$201,019
Equity:		
Fund Balance	70,750,579	70,296,353
Net Income	486,572	923,309
Total Liabilities and Equity	<u>\$71,412,290</u>	<u>\$71,420,681</u>
<u>Income Statement</u>		
Income:		
Investment Income	\$205,820	\$256,297
Interest on School Construction Loans	111,090	421,844
Realized Gain/(Loss)	8,674	58,082
Unrealized Gain/(Loss)	(87,543)	(4,432)
Coal Severance Tax Income	259,557	280,243
Total Income	<u>497,598</u>	<u>1,012,034</u>
Expenses and Transfers:		
Investment	7,393	5,752
Administrative	3,633	495
Transfers to General Fund	-	82,478
Total Expense and Transfers	<u>11,026</u>	<u>88,725</u>
Net Income/(Loss)	<u>\$486,572</u>	<u>\$923,309</u>

Board of University and School Lands

Comparative Financial Position (Unaudited)

Strategic Investment and Improvements Fund

January 31, 2021

January 31, 2020

Balance Sheet

Assets:

Cash	\$133,553,469	\$24,138,830
Interest Receivable	952,235	2,415,170
Investments	364,442,090	706,212,497
Due from other Trusts or Agencies	83,294,062	-
Total Assets	<u>\$582,241,856</u>	<u>\$732,766,497</u>

Liabilities:

Accounts Payable	\$0	\$0
------------------	-----	-----

Equity:

Fund Balance	767,541,457	1,134,326,018
Net Income	(185,299,601)	(401,559,521)
Total Liabilities and Equity	<u>\$582,241,856</u>	<u>\$732,766,497</u>

Income Statement

Income:

Investment Income	\$3,367,383	\$10,096,863
Realized Gain/(Loss)	139,189	2,166,372
Unrealized Gain/(Loss)	(1,404,816)	(89,661)
Interest on Fuel Prod Facility	10,066	-
Royalties - Oil and Gas	34,091,150	49,383,774
Bonuses - Oil and Gas	(410,655)	1,160,500
Royalties - Coal	77,199	247,978
Rents - Mineral	52,232	51,334
Tax Income - Oil Extraction & Production Distribution	163,512,739	-
Total Income	<u>199,434,487</u>	<u>63,017,160</u>

Expenses and Transfers:

Administrative	784,608	895,822
Investment Expense	53,191	185,010
Transfers to General Fund	382,200,000	382,200,000
Transfer to Commerce Department		3,000,000
Transfer to Adjutant General		2,502,253
Transfer to Energy Infrastructure & Impact Office		2,000,000
Transfer to Aeronautics Commission		20,000,000
Transfer to ND Parks & Recreation		1,877,500
Transfer to Information Technology Department		25,150,000
Transfer to Industrial Commission		270,000
Transfer to Bank of North Dakota		25,137,707
Transfer to ND Department of Corrections		1,218,000
Transfer to Office of Management & Budget		100,000
Transfer to Agencies with Litigation Pool	656,289	328,201
Transfer to State Treasurer		
Transfer to Environmental Quality	1,040,000	
Transfer from Public Service Commission		(52,818)
Transfer from Department of Health Department		(67,310)
Transfer from Attorney General Office		(6,387)
Transfer from State Highway Patrol		(49,403)
Transfer from Commerce Department		(111,895)
Total Expense and Transfers	<u>384,734,088</u>	<u>464,576,681</u>
Net Income/(Loss)	<u>(\$185,299,601)</u>	<u>(\$401,559,521)</u>

As of January 31, 2021 the SIIF had a fund balance of \$582,241,856. The fund balance is made up of two parts. The committed fund balance is that portion of the fund that has either been set aside until potential title disputes related to certain riverbed leases have been resolved or appropriated by the legislature. The uncommitted fund balance is the portion of the fund that is unencumbered, and is thus available to be spent or dedicate to other programs as the legislature deems appropriate. The uncommitted fund balance was \$315,224,345 as of January 31, 2021.

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Indian Cultural Trust

	<u>January 31, 2021</u>	<u>January 31, 2020</u>
<u>Fiduciary Net Position</u>		
Assets:		
Cash	\$45,737	\$46,812
Interest receivable	1,279	1,159
Investments	1,334,200	1,278,620
Total Assets	1,381,216	1,326,591
Liabilities:		
Accounts payable	-	-
Total Liabilities	-	-
Net Position:		
Net position restricted	1,381,216	1,326,591
Total Net Position	\$1,381,216	\$1,326,591
<u>Changes in Fiduciary Net Position</u>		
Additions:		
Contributions:		
Donations	-	-
Total Contributions	\$0	\$0
Investment Income:		
Net change in fair value of investments	139,417	22,654
Interest	18,929	18,313
Less investment expense	(843)	2,900
Net Investment Income	157,503	43,867
Miscellaneous Income	2,904	109
Total Additions	160,407	43,976
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	500	-
Total Deductions	500	-
Change in net position held in Trust for:		
Private-Purpose	159,907	43,976
Total Change in Net Position	159,907	43,976
Net Position - Beginning FY Balance	1,221,309	1,285,265
Net Position - End of Month	\$1,381,216	\$1,329,241

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Theodore Roosevelt Presidential Library

	January 31, 2021	January 31, 2020
<u>Fiduciary Net Position</u>		
Assets:		
Cash	\$132,886	\$133,303
Interest receivable	(49,837)	(5,153)
Investments	52,144,274	15,541,021
Total Assets	52,227,323	15,669,171
Liabilities:		
Accounts payable	315	315
Total Liabilities	315	315
Net Position:		
Net position restricted	52,227,008	15,668,856
Total Net Position	\$52,227,323	\$15,669,171
<u>Changes in Fiduciary Net Position</u>		
Additions:		
Contributions:		
Donations	(14,120)	-
Total Contributions	(\$14,120)	\$0
Investment Income:		
Net change in fair value of investments	1,975,546	404,291
Interest	347,515	139,824
Less investment expense	500	8,248
Net Investment Income	2,322,562	535,868
Miscellaneous Income	35,000,176	82,556
Total Additions	34,986,556	90,804
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	315	315
Total Deductions	315	315
Change in net position held in Trust for:		
Private-Purpose	34,986,871	\$90,489
Total Change in Net Position	34,986,871	90,489
Net Position - Beginning FY Balance	14,918,706	15,050,748
Net Position - End of Month	\$49,905,577	\$15,141,237

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Investment Updates

(No Action Requested)

Portfolio Rebalancing Updates

Grosvenor Private Equity made initial capital calls amounting to approximately \$10.025M out of the \$130M committed capital. Additionally, Varde Dislocation Fund LP called capital totaling \$12.5M which brought its total to \$50M out of the \$100M committed to the fund.

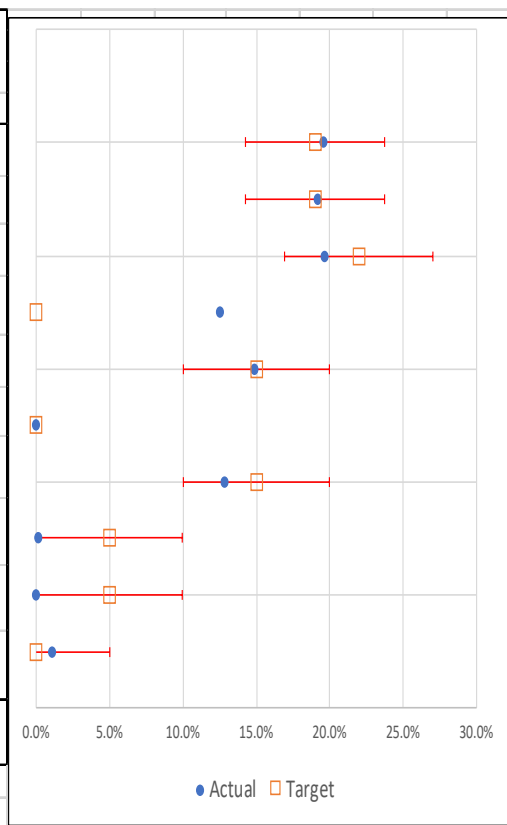
After the final close of the Fund, ARES Pathfinder Fund LP (Fixed Income) made a return of capital distribution amounting to around \$1.6M which brought the unfunded commitment to \$95.4M up from \$93.8M last quarter.

Apollo Accord Fund IV LP (Opportunistic Investment) has unfunded commitment totaling \$94.5M. While Angelo Gordon Direct Lending Fund IV (Fixed Income) and JPM-Infrastructure Fund have yet to make a call at this time with commitments of \$100M and \$130M respectively.

Asset Allocation

The table below shows the status of the permanent trusts' asset allocation as of April 20, 2021. The figures provided are unaudited.

As of April 20, 2021	Market Value \$	Actual	Target	Lower Range	Upper Range
Broad US Equity	1,125,312,176.99	19.6%	19.0%	14.0%	24.0%
Broad Int'l Equity	1,102,188,105.19	19.2%	19.0%	14.0%	24.0%
Fixed Income	1,130,372,415.64	19.7%	22.0%	17.0%	27.0%
Transition Account	719,115,615.39	12.5%	0.0%	-5.0%	5.0%
Absolute Return	855,263,364.53	14.9%	15.0%	10.0%	20.0%
DIS	-	0.0%	0.0%	-5.0%	5.0%
Real Estate	737,268,604.00	12.8%	15.0%	10.0%	20.0%
Private Equity (Grosvenor)	10,025,182.00	0.2%	5.0%	0.0%	10.0%
Private Infrastructure (JPM-Infra)	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments (Varde & Apollo)	60,711,681.00	1.1%	0.0%	-5.0%	5.0%
Portfolio Total	5,740,257,144.74	100.0%			



Upcoming Investment Manager Meetings

There is no upcoming meeting scheduled.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
HB 1080	Relating to the obligation to pay oil and gas royalties on leases owned and managed by the board of university and school lands.	Rep. Dockter	Finance & Taxation	PASSED yeas 82 nays 10 SIGNED BY SPEAKER	PASSED yeas 39 nays 7 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/23
HB 1081	Relating to access to and activities on trust lands; and to provide a penalty.	Rep. Zubke	Energy & Natural Resources	PASSED yeas 68 nays 25 SIGNED BY SPEAKER	PASSED yeas 40 nays 7 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/30
HB 1349	Relating to open record and meeting laws; to amend and reenact subsection 9 of section 44-04-17.1, sections 44-04-18.27 and 44-04-19, subsections 1 and 2 of section 44-04-20, and section 44-04-30 of the North Dakota Century Code, relating to open record and meeting laws; and to provide a penalty.	Rep. Devlin, Karls Sen. Dwyer, Lee, Oban	Political Subdivisions	PASSED yeas 77 nays 16 SIGNED BY SPEAKER	PASSED yeas 47 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State 4/20
SB 2013	A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; to provide a report; and to provide an exemption	Appropriations	Appropriations	PASSED yeas 75 nays 17 SIGNED BY SPEAKER	PASSED yeas 47 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/23
SB 2036	AN ACT to provide for a legislative management study regarding access to lands and electronic posting.	Legislative Management	Energy & Natural Resources	PASSED yeas 91 nays 2 SIGNED BY SPEAKER	PASSED yeas 45 nays 2 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/01
SB 2048	Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02,	Industry, Business and Labor	Industry, Business & Labor	PASSED yeas 93 nays 0 SIGNED BY SPEAKER	PASSED yeas 46 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/20

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
	sections 26.1-55-04, 27-05.2-04, and 30.1-20-14, subsection 3 of section 35-20-17, sections 35-36-05, 38-13.1-03, 38-18.1-03, and 44-04-18.25, subsection 3 of section 47-16-07.1, section 54-27-15.1, subsection 6 of section 57-38-57, subsection 8 of section 57-39.2-23, and section 60-01-34 of the North Dakota Century Code, relating to abandoned and unclaimed property; to repeal chapter 47-30.1 of the North Dakota Century Code, relating to the uniform unclaimed property act; to provide for a report; to provide a penalty; and to provide a continuing appropriation.					
SB 2065	Relating to the jurisdiction of the industrial commission to regulate the permitting and amalgamation of the underground storage of oil or gas; and to amend and reenact sections 15-05-09 and 15-05-10 of the North Dakota Century Code, relating to oil and gas leases and royalties from oil leases.	Energy & Natural Resources	Energy & Natural Resources	PASSED yeas 72 nays 19 SIGNED BY SPEAKER	PASSED yeas 35 nays 12 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/20
SB 2144	Relating to criminal trespass and electronic posting; and to provide a penalty.	Sen. Erbele, Patten, Bell Rep. Damschen, Dobervich, Tveit	Finance & Taxation	PASSED yeas 89 nays 3 SIGNED BY SPEAKER	PASSED yeas 44 nays 2 SIGNED BY PRESIDENT	sent
SB 2191	Relating to the disposal of abandoned personal property	Sen. Holmberg	Political Subdivisions	PASSED yeas 86 nays 6 SIGNED BY SPEAKER	PASSED yeas 46 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
SB 2282	Relating to membership of the board of university and school lands; and to provide a contingent effective date. A BILL for an Act to provide for a legislative management study regarding the memberships of the board of university and school lands and the industrial commission.	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	PASSED yeas 87 nays 2 SIGNED BY SPEAKER	PASSED yeas 46 nays 1 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 04/20
SB 2291	Relating to social investments made by the state investment board; to provide for a department of commerce study of the implications of complete divestment of companies that boycott energy or commodities; to provide for reports to legislative management; and to declare an emergency	Sen. Bell	Energy & Natural Resources	PASSED yeas 82 nays 12 SIGNED BY SPEAKER	PASSED yeas 42 nays 4 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/24
SB 2317	Relating to the establishment of a coal mine reclamation trust utilizing private assets; and to provide for a transfer.	Sen. Bell Rep. Porter	Energy & Natural Resources	PASSED yeas 90 nays 2 SIGNED BY SPEAKER	PASSED yeas 43 nays 4 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/13
SB 2319	Relating to oil and gas agreements; to provide for application; and to provide a contingent effective date.	Sen. Kannianen	Finance & Taxation	PASSED yeas 79 nays 13 SIGNED BY SPEAKER	PASSED yeas 43 nays 13 SIGNED BY PRESIDENT	sent

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
SCR 4007	Relating to the membership of the board of university and school lands	Sen. Schaible, Klein, Luick Rep. D. Johnson, Schmidt	Government & Veterans Affairs	DEFEATED voice vote	PASSED yeas 32 nays 14	
SCR 4013	A concurrent resolution urging Congress to pass the North Dakota Trust Lands Completion Act.	Sen Marcellais, Heckaman, Kannianen, Schaible Rep. Trottier	Energy & Natural Resources	PASSED voice vote SIGNED BY SPEAKER	PASSED voice vote SIGNED BY PRESIDENT	Filed with Secretary of State – 4/09

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Outdoor Heritage Fund Grant Application

The mission of the Board of University and School Lands (Board) is to prudently and professionally, manage assets of the permanent trusts to preserve the purchasing power of the funds, maintain stable distributions to fund beneficiaries, and manage all other assets and programs entrusted to the Board in accordance with the North Dakota Constitution and applicable laws.

The Department is requesting permission to submit a grant to the Outdoor Heritage Fund (OHF) to leverage current efforts to improve management of the 706,600 acres of Trust Lands that will improve boundary identification and access while enhancing the geospatial information available to state agencies and the public.

Agricultural lessees in North Dakota are eligible for various assistance programs to aid in the implementation of conservation practices; many of these important conservation programs are supported by the OHF. This grant will be used to provide accurate information and clarity over tract boundaries. Uncertainty over tract boundaries has resulted in lost opportunities to better manage Trust Lands for economic and environmental goals. This uncertainty has also led to instances of conflict and confusion regarding leasing and appropriate access in the state. Advances in technology and policy changes regarding land access have allowed the Department to begin addressing these issues. However, the benefits of this project warrant a state investment larger than what the Department can fund alone.

The project will principally address OHF Directive B (to improve, maintain and restore water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship by enhancing farming and ranching) by supporting stewardship practices enhancing farming and ranching. It will also address Directives A (providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen) and C (Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public land) by improving/clarifying access for sportsmen and facilitating the conservation of wildlife habitat through active livestock management and improved geospatial information.

Having an accurate geospatial representation of Trust Lands managed by the Department will improve the economic, ecological, and recreational management of these tracts. Upgraded data and boundary markings will result in these improvements by:

- A. Supporting consistent siting of agricultural improvements, such as lessee-owned fences.
- B. Supporting consistent siting of encumbrances from energy sector infrastructure and helping guide reclamation efforts.
- C. Improving recreational use of School Trust Lands by clarifying property boundaries and suitable walking access points.
- D. Enhancing wildlife habitat through accurate grazing plans and noxious weed control.
- E. Identifying uncompensated encroachment from adjacent land use and development.
- F. Identifying changes in tract acreages due to accretion for tracts having river courses.

Recommendation: The Board authorize the Commissioner to submit a grant application to the Outdoor Heritage Fund to support the NDDTL acquiring accurate geospatial data on school trust lands.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Foster County – T147N R65W Section 4: West 50 rods of SE¼

A 50-acre tract of land in Foster County (see attached Exhibit A), title to which is subject to reversion to the Board of University and School Lands (Board), currently has potentially hazardous materials scattered throughout. This may require extensive cleanup costs be incurred by the Board and impose a long-term negative impact on the property's usefulness.

Background. The property at issue is a 50-acre tract in Foster County previously used as a gravel pit. The legal description provided in the conveyance deed of record describes the property as "a strip of land fifty (50) rods wide, lying along the west side of the southeast quarter (SE¼) of Section four (4), Township one hundred forty-seven (147) North, of Range sixty-five (65) West, containing fifty (50) acres more or less" (Subject Tract). The SE¼ in which the Subject Tract lies was acquired by the State as Grant Land and assigned to the Youth Correctional Center Trust. The entire SE¼ (160 total acres) was sold on contract to Otto Richter in February of 1910. The contract was later canceled by the Board. On December 30, 1937, Foster County submitted an Application for Site on State Land proposing to acquire the Subject Tract for the purpose of "obtain[ing] gravel for use in gravelling county and township highways". According to the Board's meeting minutes, on February 18, 1938, the Board heard a "Right of Way First Reading Gravel Foster County" for the Subject Tract. On March 31, 1938, the Board heard the "Gravel Pit Foster County Second Reading" and unanimously approved the sale of the Subject Tract for use as a gravel pit (see attached Exhibit B). A deed conveying the Subject Tract to Foster County was issued and recorded in Miscellaneous Deed Book 4, Page 385 in the office of the Foster County Recorder on April 19, 1938 (see attached Exhibit C). The remaining 110 acres along the east side of the subject SE¼ was later sold to Luverne Gussiaas, a private party, in March of 1960 and a Patent was issued in April of 1963. The State of North Dakota Acting by and through the Board reserved 50% of all oil, natural gas and other minerals (the word "minerals" includes such clay, coal and uranium as were included within the meaning of that term prior to July 1, 1955) underlying the east 110 acres. No minerals were reserved in the 1938 Deed conveyed to Foster County for the west 50 acres.

The Department of Trust Lands (Department) was recently contacted by Foster County Commissioner Becky Hagel requesting clarification as to whether the conveyance deed issued to Foster County by the Board in 1938 possesses any reversionary interest in the Subject Tract. Foster County is interested in selling this property and is wondering if the deed conveyed the property to Foster County without any other property interests and if the conveyance requires reversion to the State of North Dakota. An Environmental Field Survey Inspection (see attached Exhibit D) was conducted by the Department on December 10, 2020. This survey revealed the Subject Tract is a mined gravel pit which has not been reclaimed and contains unmanaged piles of aggregate and overburden throughout the property. The lack of reclamation has caused the terrain to become incredibly rough and years of non-use has allowed the site to revegetate to smooth bromegrass. Additionally, the site has been used as a dump site for asphalt, concrete, and other bulky construction debris. Further, it appears to have been used as a site for public dumping as there are numerous piles of trash scattered throughout containing both potentially hazardous and non-hazardous materials including totes of unlabeled chemicals and unrecognizable appliances.

Assessment. First, it is the Department's belief that significant funds will be needed to clear the Subject Tract of environmental hazards which may negatively affect its long-term usefulness.

Furthermore, the small size of the Subject Tract (50 acres) reduces its attractiveness for to potential lessees for grazing purposes.

Second, the substance of the deed of conveyance issued to Foster County in 1938 was reviewed to determine whether the Subject Tract was subject to a reversionary interest which would cause title to the property to automatically revert back to the State. Upon review of the 1938 conveyance deed, the Department does not believe the Subject Tract is subject to an *automatic* reversion of title back to the Board, but rather that the Board now has a right to reclaim all or part of the interest in the Subject Tract because the property is no longer being used for the purpose for which it was originally conveyed (as a gravel pit) to Foster County in 1938. However, it is important to note that this reversionary right is not automatic, and the Board may choose not to reclaim title to the property.

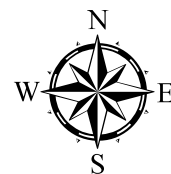
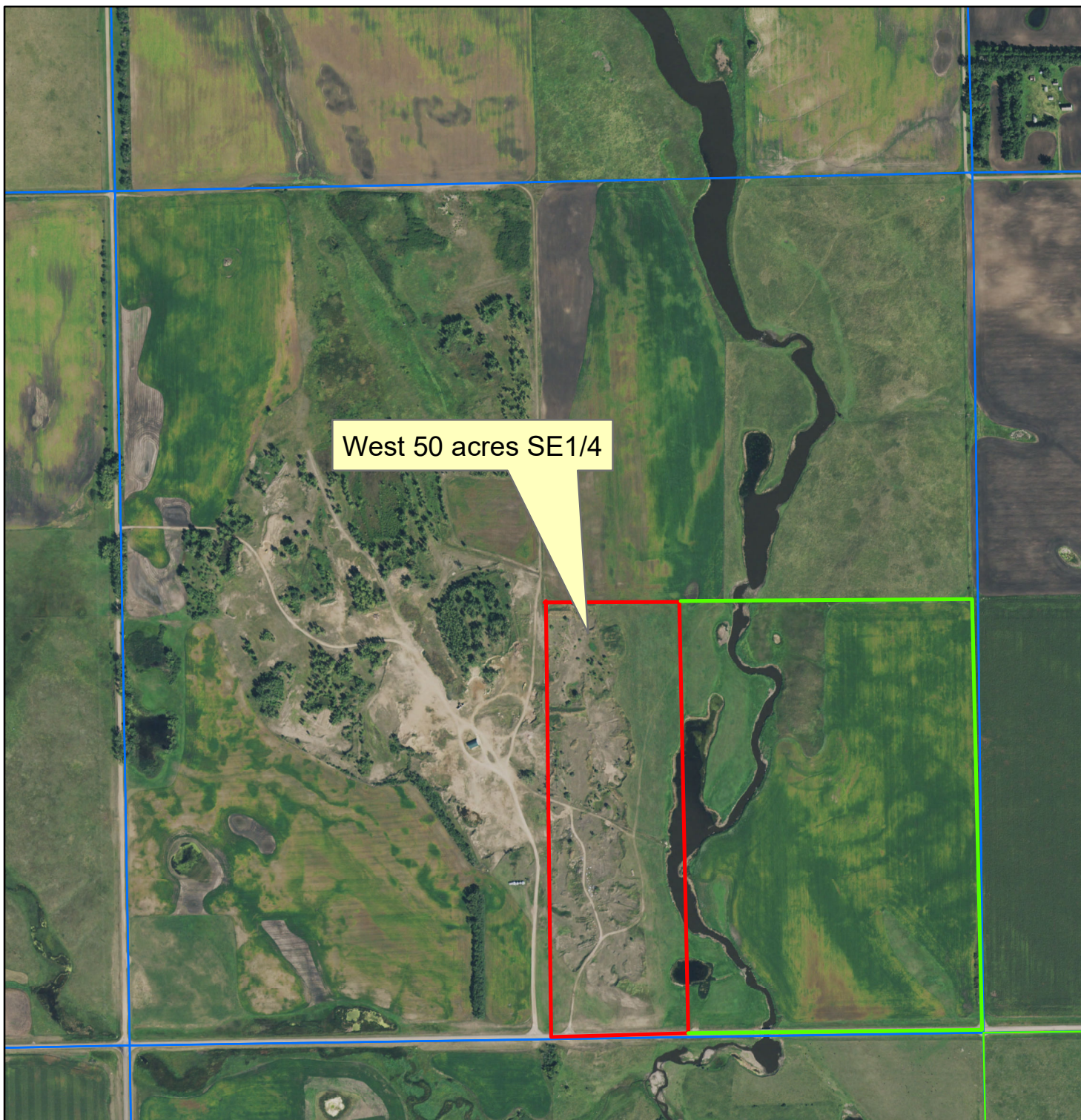
The language in the deed is vague and unclear as to the specific intent of the parties to that deed at the time of conveyance. While the deed does not contain any express reversionary provision, the deed does declare that the Subject Tract is being conveyed “for public purposes.” The Application for Site on State Land submitted to the Board by Foster County on December 30, 1937 indicates that this public purpose was to “obtain gravel for use in gravelling county and township highways.” No other public purpose use for the property has ever been suggested. Thus, it is the Department’s belief that title to the Subject Tract was conveyed to Foster County in fee simple subject to condition subsequent – that condition being that the property be used as a gravel pit and once the property is no longer used for this intended public purpose, the Board may exercise a right of reentry and reclaim title to the property. This right of reentry in these circumstances is not automatic, but rather must be exercised by the Board to terminate the reversionary estate. The Department has exercised this right of reentry on several other occasions where the deeded property has ceased to be used for the purpose for which it was originally deeded.

Recommendation: In consideration of the substance of the factors involved with the deed of conveyance issued to Foster County and in consideration of the environmental liabilities attached to the property, any reversionary interests that the State of North Dakota may have in and to the tract of land, the Department recommends the Board request that Foster County issue a mineral deed conveying 100% of the mineral interest back to the Board, while the Board issues a quit claim deed conveying its reversionary surface interest to Foster County.

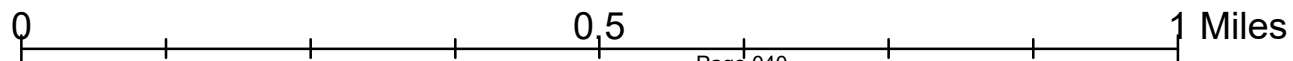
Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

4-T147-R65

FOSTER County



Map Datum is WGS 84 (same as NAD 83)



February 18, 1938 Special meeting of the Board of University and School Lands

RIGHT OF WAY FIRST READING GRAVEL FOSTER COUNTY Foster County, a Municipal Corporation of Carrington, North Dakota, made application for 50 acres of the SE $\frac{1}{4}$ 4-147-65, a cancelled contract No. 343, Foster County, described as follows, to wit: A strip of land fifty rods wide, lying along the west side of the southeast quarter (SE $\frac{1}{4}$) of Section four (4), Township 147, North, Range 65 West, containing 50 acres, and appraised at \$10.00 per acre.

March 31, 1938 Regular Monthly Meeting of the Board of University and School Lands

GRAVEL PIT FOSTER COUNTY SECOND READING The Municipal Corporation of Carrington, North Dakota made application for part of the SE $\frac{1}{4}$ 4-147-65 of Foster County to be used for gravel, and described as follows, to wit: A strip of land fifty (50) rods wide, lying along the west side of the southeast Quarter (SE $\frac{1}{4}$) of Section Four (4), Township One Hundred forty-seven (147) North, Range Sixty-five (65) West, containing 50 acres more or less, and approved at \$10.00 per acre thereon.

D E E D
STATE OF NORTH DAKOTA

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING;

WHEREAS, By an Act of the Legislature of the State of North Dakota, approved February 27, 1915, entitled, "An Act to Provide for the Disposition of School and Institutional Lands Required for Townsite Purposes, School House Sites, Church Sites, Cemetery Sites, Sites for Other Educational or Charitable Purposes, Public Parks, Fair Grounds, Public Highways, Railroad Right-of-Way and other Railroad Uses and Purposes, Reservoirs for the Storage of Water for Irrigation, Drain Ditches and Irrigation Ditches, and Lands Required for Any of the Purposes Over Which the Right of Eminent Domain May be Exercised Under the Constitution and Laws of this State," provision has been made for the sale and conveyance of lands needed for public purposes; and

WHEREAS, it appears by the records of the State Treasurer, that full payment was made by FOSTER COUNTY (A municipal corporation) on the 11th day of April A. D. 1938, under the provisions of Chapter 242, Laws of the State of North Dakota for 1915, for the following described tract or parcel of land, to-wit:

A strip of land Fifty (50) rods wide, lying along the West Side of the Southeast Quarter (SE¹/₄) of Section Four (4), Township One Hundred Forty-seven (147) North, of Range Sixty-five (65) West, containing Fifty (50) Acres, more or less.

according to the United States Government Survey thereof, and situate in the County of Foster, and State of North Dakota, which said tract has been purchased in pursuance of law by the said FOSTER COUNTY

NOW, THEREFORE, BE IT KNOWN, That the State of North Dakota in consideration of the sum of Five Hundred and No/100 (\$500.00) DOLLARS, paid by FOSTER COUNTY, the receipt whereof is hereby acknowledged, has GRANTED, BARGAINED, SOLD, CONVEYED AND CONFIRMED, and by these presents does GRANT, BARGAIN, SELL, CONVEY AND CONFIRM unto the said FOSTER COUNTY and to its successors and assigns, the said tract above described, reserving and excepting from the operation of this grant all rights and privileges vested in the State of North Dakota under the provisions of the constitution and laws of this state.

TO HAVE AND TO HOLD THE SAME, Together with all the rights, privileges, immunities and appurtenances, except as herein provided, of whatever nature, thereunto belonging, unto the said FOSTER COUNTY and to its successors and assigns, FOREVER.

IN TESTIMONY WHEREOF, I, William Langer Governor of the State of North Dakota, have caused the Great Seal of said State to be hereunto affixed, at the City of Bismarck, in said State on the 11th day of April, in the year of our Lord, One Thousand Nine Hundred and Thirty-eight.

(Great Seal of North Dakota)

WILLIAM LANGER
Governor,

Attest: JAMES D. GRONNA
Secretary of State.

(Seal of University and School Lands Board)

Countersigned by the Board of University and School Lands of the State of North Dakota.

(WILLIAM LANGER
Governor.
(JAMES D. GRONNA
Secretary of State.
(BERTA E. BAKER
State Auditor.
(AL C. STRUTZ
Attorney General.
(ARTHUR E. THOMPSON
Superintendent of Public Instruction.

OLE B. STRAY
Secretary of the Board of University and School Lands of the State of North Dakota.

AUDITOR'S OFFICE
FOSTER COUNTY, N. D.

Transfer Entered April 20, A. D. 1938.

(Auditor's Seal)

ELLING M. INDERGAARD
County Auditor

OFFICE OF STATE LAND COMMISSIONER

Recorded in Book 4 of Deeds on page 385 of the records of my office this 19th day of April A. D. 1938.

OLE B. STRAY
Land Commissioner, State of North Dakota

PLAT OF IRREGULAR DESCRIPTION. (Sec. 57-02-39-N. D. C. C.)

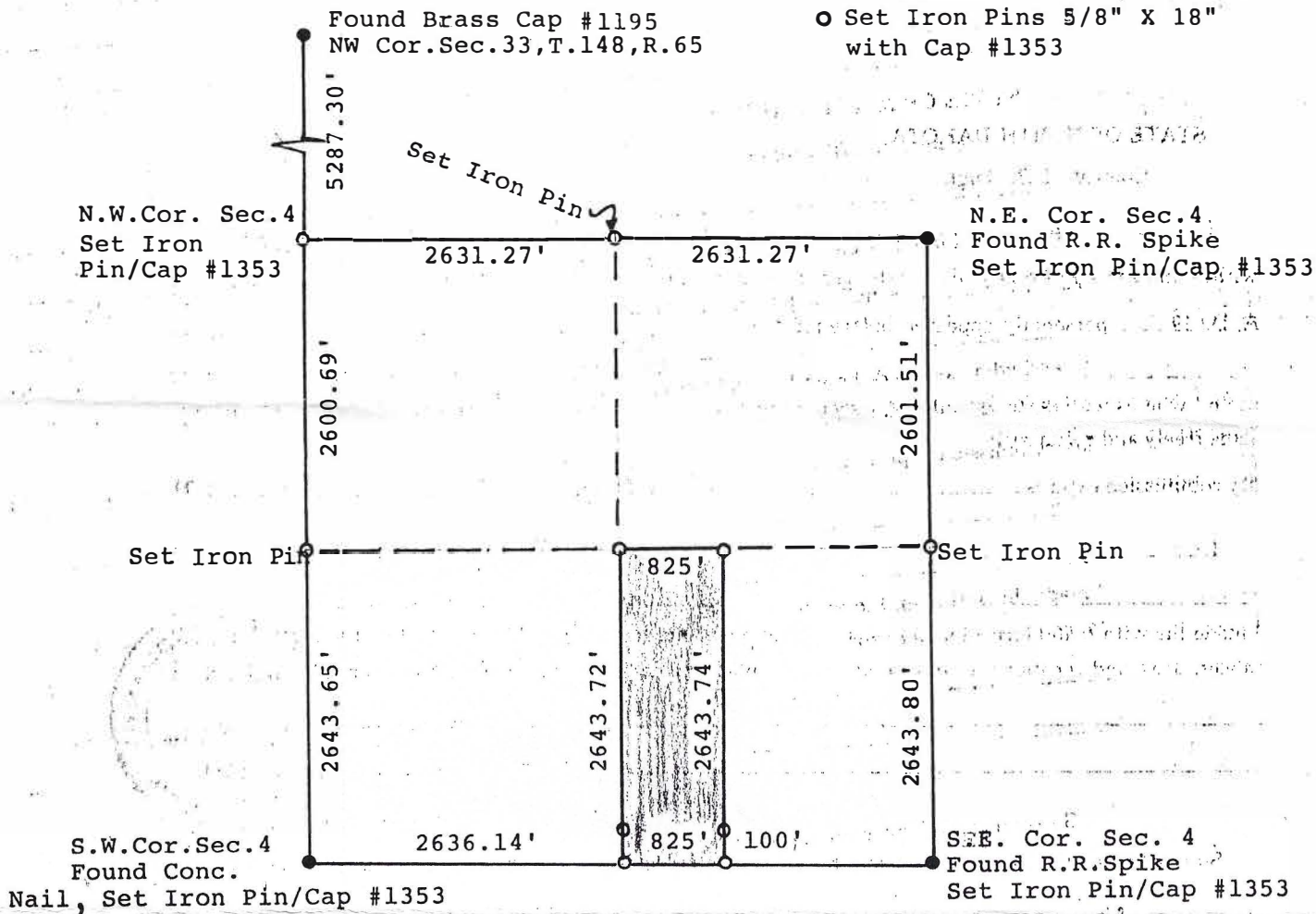
PLAT OF

SE 1/4 Section 4 Township 147 Range 65

Present Owner Foster County

LEGEND

○ Set Iron Pins 5/8" X 18" with Cap #1353



Description

Lot Number _____ Section 4 Township 147
 Range 65, described as follows:

Description taken from Document No. 49366 recorded on page 167 Book A at the Foster County office of the Register of Deeds dated April 1938.

A strip of land Fifty (50) rods wide, lying along the West side of the Southeast quarter (SE $\frac{1}{4}$) of Section Four (4), Township One Hundred Forty-Seven (147) North, of Range Sixty-Five (65) West, containing Fifty (50) Acres, more or less.

THE UNDERSIGNED, Owners of the within described property, in accordance with the provisions of Sec. 57-02-39, North Dakota Century Code, and upon demand of the County Auditor of Burleigh County, North Dakota, have caused to be made the within and foregoing plat of said land with the lots as herein described, and have caused the same to be placed on record, as provided by law.

Witness our hands and seal, this _____ day of _____ 19____

In presence of _____

STATE OF NORTH DAKOTA, }
County of Foster } ss.

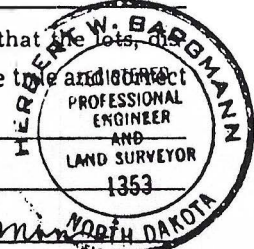
I, _____, a _____
within and for said County, do hereby certify that on this _____ day of _____
A. D., 19____, personally appeared before me _____

_____ to me well known to be the same person described
in and who executed the within and foregoing instrument and acknowledged that he executed the
same freely and voluntarily.

My commission expires _____ 19____ Notary Public, _____ County, N. D.

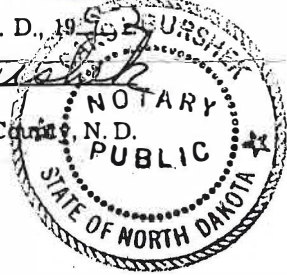
I, Herbert W. Bargmann Surveyor, do hereby certify that, at the request of
Foster County Commission

I made the within and foregoing plat and description of the land as herein described and that the lots, in
stances, area and locations as indicated on said plat and contained in said description are true and correct.
To the best of my knowledge



Subscribed and sworn to before me this 14th day of May A. D., 1992

My commission expires October 28 1992 Notary Public, Burleigh County, N. D.



CERTIFICATE OF APPROVAL

The within and foregoing Plat is hereby approved.

Dated _____, 19____

City Engineer of (or) _____ County Surveyor

of Foster County, N. D.

Plat of

wp. 147 R. 65

REGISTER OF DEEDS

County, North Dakota

certify that the within in-

filed for record in this

17th day of Aug

11:00 o'clock A. M., and

rded on page 150 of

of Plat # 61

Musch

Register of Deeds.

Deputy

ENVIRONMENTAL FIELD SURVEY

This form must be completed when hazardous or non-hazardous items are found or when an environmental survey is requested by the Land Department. When taking photos of items, if possible, include identifiable background features, and mark the location of the photo and trash items on the aerial photo. Use back of this sheet to log photos and GPS reading. Describe fully the character of any materials found. Your description should include the amounts, and labels, or other identifying markings.

<u>LEGAL DESCRIPTION</u>			
County:			
Qtr	Sec	Twp	Rng
SE	4	147	65

POTENTIALLY HAZARDOUS MATERIALS
(If none - skip this section)

If you find any of the items listed below, list the amount, otherwise write "0".

- | | | |
|---|---|--|
| <input type="checkbox"/> livestock waste | <input type="checkbox"/> transformers | <input type="checkbox"/> dead animals |
| <input checked="" type="checkbox"/> underground mine sinkhole | <input checked="" type="checkbox"/> batteries | <input checked="" type="checkbox"/> chemical spray equipment |
| <input checked="" type="checkbox"/> drums/barrels | <input checked="" type="checkbox"/> storage tanks | <input checked="" type="checkbox"/> appliances |
| <input type="checkbox"/> capacitors | <input checked="" type="checkbox"/> garbage | <input checked="" type="checkbox"/> leaks/spills/discharges |
| <input type="checkbox"/> discolored soil or dead vegetation | | <input type="checkbox"/> other |

DESCRIBE:

The site has numerous piles of trash spread throughout the property. This includes totes of unlabeled chemicals and unrecognizable appliances and e-waste. Some piles of aggregate and dumped debris have been grassed over; making it difficult to know what may be underneath.

While inspecting this tract, did you observe any uses on surrounding property that may cause pollution damage to or impact this tract? For example: a livestock feedlot with waste runoff onto the tract, or a farm chemical mixing site adjacent to a drainage common to and upstream of the tract. If no, circle "none". **NONE**

DESCRIBE:

No, all trash and potential hazards were on-site.

NON-HAZARDOUS MATERIALS
(If none - skip this section)

If you find any of the items listed below, list the amount, otherwise write "0".

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> cement/lumber metal | <input type="checkbox"/> spoiled grain | <input checked="" type="checkbox"/> tires |
| <input checked="" type="checkbox"/> old/rusted garbage | <input type="checkbox"/> abandoned water well | <input type="checkbox"/> machinery (old/new) |
| <input checked="" type="checkbox"/> tree/brush piles | <input checked="" type="checkbox"/> abandoned water tank | <input type="checkbox"/> abandoned automobile |
| <input checked="" type="checkbox"/> fencing materials or abandoned fence lines | <input type="checkbox"/> abandoned windmill/parts | <input type="checkbox"/> abandoned farm equipment |
| <input checked="" type="checkbox"/> abandoned livestock feeding equipment | | <input type="checkbox"/> other |

DESCRIBE:

There are multiple piles of waste wood, metal, concrete, and asphalt.

ENVIRONMENTAL FIELD SURVEY PHOTO LOG

Mark the location of hazardous and/or non-hazardous items and photos on aerial photo.

LEGAL DESCRIPTION			
County:			
Qtr	Sec	Twp	Rng
SE	4	147	65

GPS Reading: 47.57539 _____ N, 98.95737 _____ W (WGS84) Accuracy 12 _____ ft.

Photo # 1 Description: Main trash dump area

Photo # 2 Description: Unlabeled IBC totes, some with at least 100 gallons of chemical inside

Photo # 3 Description: Tires along back side of main dump site

GPS Reading: 47.57593 _____ N, 98.95739 _____ W (WGS84) Accuracy 16 _____ ft.

Photo # 4 Description: Large trash pile of primarily woody debris

Photo # 5 Description: Culvert dump location

Photo # _____ Description: _____

GPS Reading: 47.57452 _____ N, 98.95704 _____ W (WGS84) Accuracy 12 _____ ft.

(If you find more than 3 trash piles on a quarter section, note additional GPS readings in "Additional Comments" below.)

Photo # 6 Description: One of multiple dump sites for asphalt and concrete

Photo # _____ Description: _____

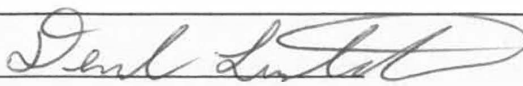
Photo # _____ Description: _____

ADDITIONAL COMMENTS:

The site's historical use as an aggregate mine is clear from the scattered and unplanned piles of aggregate and overburden over the property. The terrain is very rough because of it. However, several decades of abandonment have allowed many of the mounds to grass over with smooth bromegrass.

The site has been used for a public works dump site for asphalt, concrete, and other bulky construction debris. It has also been used as an unauthorized dump for members of the public. There are numerous piles of trash scattered around the property. These contain both potentially hazardous and non-hazardous materials.

Inspector: Derek Lowstuter



12/10/2020 _____ (date)

Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Board of University and School Lands Capital Repairs

The Department of Trust Lands (Department) needs to replace a retaining wall on the north side of the building. The current retaining wall is cracked and leaning towards the building requiring the removal and replacement of the wall. The estimated cost of the project is \$14,500.

N.D.C.C. § 15-03-16 provides:

There is appropriated annually the amounts necessary to pay costs related to investments controlled by the board of university and school lands, including investment management fees, trustee fees, consulting fees, custodial fees, and the cost of capitalized building repairs and renovations as approved by the board. Each payment must be made from the trust fund for which the investment is made.

Emphasis added.

Recommendation: The Board approves utilizing continuing appropriations, per N.D.C.C. § 15-03-16, in an amount not to exceed \$16,000, to support the cost of removing and placing the retaining wall.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Commercial Real Estate Manager

In accordance with the Investment Policy Statement (IPS) the Department of Trust Lands (Department) regularly reviews the Permanent Trust Funds' (PTFs) asset allocations for rebalancing purposes. At the end of the first quarter of 2021, the Department determined that the PTFs should be rebalanced out of Public Equities (both domestic and international) and Absolute Return into Fixed Income and Commercial Real Estate (CRE). This determination was due to the outperformance of Public Equities and Absolute Return which brought each asset class above their target allocations.

The Department reviewed its existing CRE managers and determined that more exposure to traditional core real estate would not be prudent due to the already large position in the PTFs. The Department and RVK began the new manager search by compiling a list of the top performing CRE managers within RVK's database. The Department and RVK reviewed the performance and risk history of each manager, along with fees, asset quality, asset characteristics, and investment structures. The Department choose its top two managers and interviewed them to review their investment strategies and processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board approve a CRE mandate with Harrison Street. Harrison Street is an investment manager headquartered in Chicago, with additional offices in North America and Europe. It has invested over \$40 Billion in real estate and infrastructure and employs 195 professionals. Harrison Street has a strong, transparent investment process.

The Harrison Street Core Property Fund (Harrison Fund) is unique despite its name. Its assets are unlike the assets of a typical core CRE fund. The average core CRE fund tracked by the NCREIF-ODCE Index has the following property allocations: Apartments (37%), Office (34%), Industrial (20%), Retail (15%) and other property types (4%). The Harrison Fund as the following property allocations: Medical Office (32%), Senior Housing (28%), Student Housing (22%), Life Sciences (9%) and Self-storage (9%). The Harrison Fund is completely unlike our other CRE funds and yet is still well diversified and has had strong performance with low volatility.

Recommendation: The Board approve a \$100 Million investment with Harrison Street Core Property Fund in the commercial real estate asset allocation to partially rebalance the Permanent Trust Fund portfolios, subject to final review and approval of all legal documents by the Office of the Attorney General.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

- Attachment 1: RVK CRE Recommendation Memo
- Attachment 2: RVK CRE Investment Manager Search Presentation
- Attachment 3: Harrison Street Core Property Fund Presentation



Memorandum

To	North Dakota Board of University and School Lands
From	RVK, Inc.
Subject	Core Real Estate Recommendation
Date	April 8, 2021

Overview

Based on the ongoing review of the real estate portfolio, and in efforts to maintain the Plan's target allocation to real estate, Staff and RVK initiated a search for a core real estate manager that would complement the current line-up of core and core plus managers. The current real estate portfolio is heavily weighted towards the traditional property types (Office, Industrial, Retail, and Multifamily) and invested in the primary gateway markets. As such, Staff interviewed two complimentary managers that would diversify the portfolio in terms of investment strategy, target property sector and income generation. The two strategies that were interviewed were Harrison Street's Core Property Fund and Invesco's US Income Fund.

Following the manager interviews, Harrison Street Core Property Fund ("HSRE" or the Fund) was identified as the most complimentary fund to be added to the portfolio.

Recommendation

Based on the manager search process and the due diligence performed, Staff and RVK recommend the Board fund Harrison Street Core Property Fund with approximately \$100 million. HSRE exhibited superior advantages, namely property type diversification, expertise in demographic driven sectors, and a strong income return profile.

Manager Search Process

The RVK Investment Manager Research team maintains working relationships with many institutional-quality real estate asset managers. Leveraging this knowledge and experience, the real estate research team built an initial list of what RVK considers best in class asset managers that possess the qualities that would be complimentary to the real estate portfolio. The Land Board's Investment Staff proceeded to interview both of these candidates on March 12th and March 19th. Participants from the asset manager's side included the lead portfolio manager for each firm's proposed strategy. After the interviews, RVK and Staff discussed the strategies overall diversification benefits to the real estate portfolio, the difference in return drivers for each strategy and the different levels of leverage utilization.

Both RVK and Staff agree that the Harrison Street Core Property Fund offered the purest diversification benefits of the two finalists.



Firm

Harrison Street Real Estate Capital was founded and remains headquartered in Chicago in 2005 by Christopher Merrill, Chris Galvin and Mike Galvin, brothers of the founding family of Motorola. Harrison Street was founded with an entrepreneurial mindset to invest in non-traditional EHS (Education, Healthcare, and Storage) core real estate sectors. The Firm has grown into one of the largest private real estate investment managers focusing exclusively on the EHS sectors. The Firm was the first successful institutional asset manager to bring their investment strategy to the highly fragmented demographic-driven EHS sectors. The Firm started out just offering a value add series in the EHS sectors but has grown to \$32 billion in assets under management. The Firm has been relatively stable over time, experiencing low employee turnover. Senior members at Harrison Street own 25% of the firm with the balance being owned by Colliers International Group.

Team

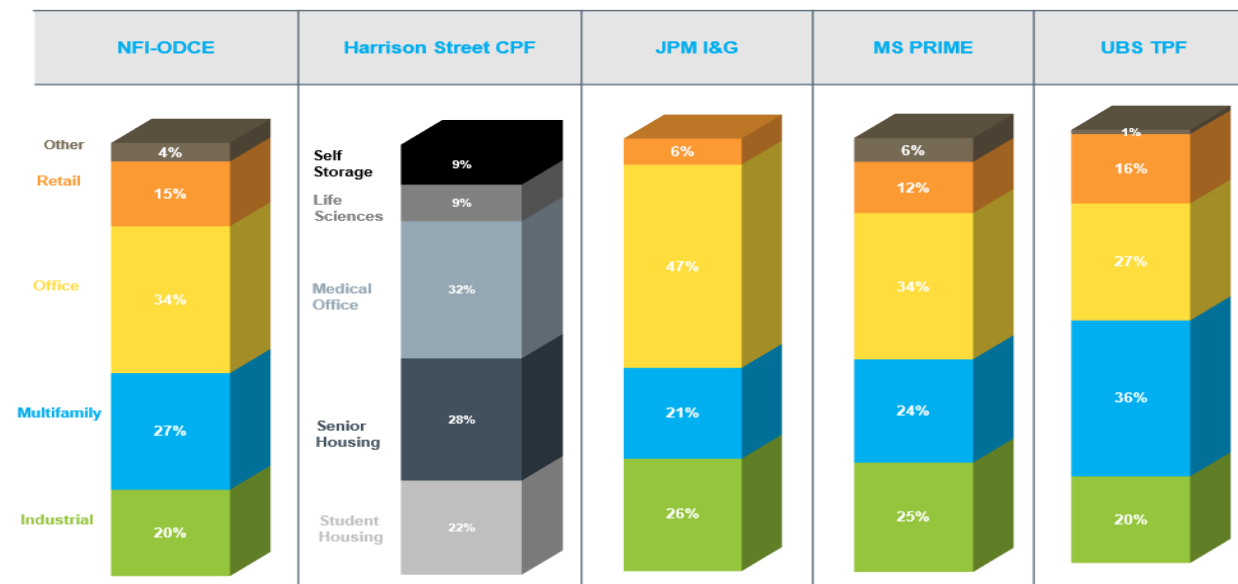
Harrison Street’s core real estate team is led by Joey Lansing, Head of Portfolio Management and Strategy, with oversight provided by the Investment Committee which is comprised of the firm’s most senior members. The core fund is supported by 11 individuals that are dedicated to the strategy. The strategy shares other firm resources across Transactions, Asset Management, Research, Accounting, Investor Relations, Legal & Compliance, and Operations.

Investment Committee		
Christopher Merrill Joey Lansing	Mike Gordon Robert Mathias	Stephen Gordon Geoff Regnery
Joey Lansing Head of Portfolio Management & Strategy	Colleen McMillin Assistant Portfolio Manager Director	Kate Davis Portfolio Manager Director
Ron Miles Asset Management Director	Kyle DeArmond Portfolio Management Assistant Vice President	Melanie Grebow Portfolio Management Senior Associate
Andrew Guth Portfolio Management Analyst	Greg Bonitatibus Fund Controller Vice President	Ally Felker Financial Reporting Senior Associate
Anna Bailey Financial Reporting Associate	John Willard Financial Reporting Associate	

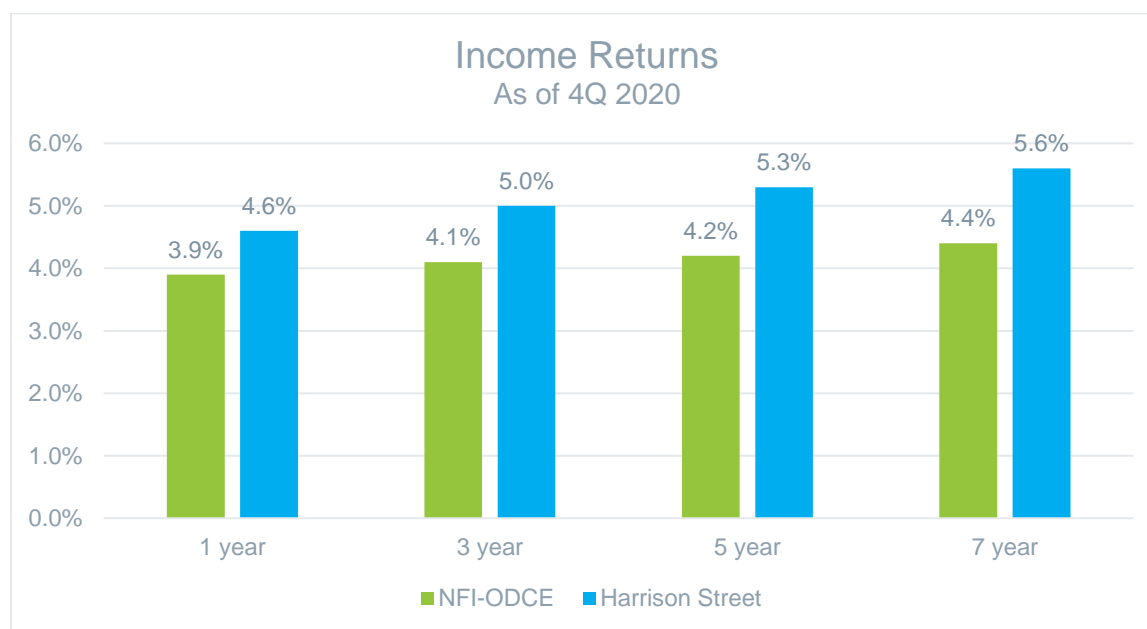
Investment Overview

The Fund is structured to operate as an open-ended, perpetual life vehicle. The fund targets an annual gross return of 9% - 10%, with the vast majority of the return in the form of current income. The Fund will make investments primarily in the EHS sectors that include: (i) student housing, both on and off campus, and other education-related real estate investments, (ii) senior housing (including independent living, assisted living and memory care facilities), (iii) medical office buildings and other healthcare-related real estate investments other than full service hospitals, (iv) storage properties, including, but not limited to, self-storage, marinas and boat storage, and (v) life science buildings. The Fund expects to maintain a modest leverage profile with Loan-to-Value (“LTV”) levels between 22% - 27%, while continuing to move towards fund-level financing as opposed to asset-level financing.

The current portfolio sector weightings for Harrison Street are shown below with reference to the NFI-ODCE as well as the Plan’s other real estate holdings. As can be seen in the below chart, Harrison Street brings superior property diversification to the plan. Additionally, the sectors that HSRE invests in are expected to offer stronger downside protection than traditional property types due to two primary reasons. Firstly, demand for these sectors is driven by demographic trends that are inherently less correlated to GDP growth. Secondly, the sectors HSRE invest in offer attractive yields relative to traditional property types, which serves to lower the overall volatility of total returns.



One of the key pillars of Harrison Street’s portfolio is the superior income returns relative to the NFI-ODCE. The Fund’s strategy focuses primarily on stabilized income-producing investments in niche property types. These property types offer yield premiums relative to traditional property types due to their inherent high operational component. As can be seen in the below chart, Harrison Street has managed to outperform the NFI-ODCE on an income return component on all measured time periods.



Conclusion

RVK believes the Harrison Street Core Real Estate Fund represents an attractive opportunity to capitalize on the Firm’s strong investment platform and sector expertise. Commitments to the Fund are expected to provide complimentary exposure to an array of sectors and geographies, diversifying the existing private real estate portfolio investments as well as offer potential downside protection due to differentiated demand drivers in the underlying property types and a strong income return profile.



Appendix: Summary of Key Partnership Terms (as of December 31, 2020)

Inception	November 2011
Gross Asset Value	\$10.1 Billion
Net Asset Value	\$7.6 Billion
Entry Queue Exit Queue	\$110 Million \$366 Million
Fund Structure	Harrison Street Core Property Fund, L.P. is a Delaware limited partnership. The Core Fund owns assets through a subsidiary (REIT) for the benefit more favorable income tax treatment
Target Sectors	Education, Healthcare & Storage
Risk Controls	Up to 15% in value-added properties Maximum of 40% leverage at Fund share No more than 40% in a single property type No single investment shall exceed 15% of gross asset value Investments in single Metropolitan Statistical Area (MSA) shall not exceed 20% of GAV, or 30% in top ten MSAs
Debt Overview	Current LTV – 24.2% Fund Level LTV Limit – 40% Fixed Rate Debt Utilization 92% Weighted Average Maturity of Debt 5.8 years Weighted Average Interest Rate 3.9%
Management Fee	First \$25 million at 1.15% Next \$25 million at 1.05% Next \$25 million at 0.95% Next \$25 million at 0.90% Greater than \$100 million at 0.85%
Quarterly Redemption Policy	Quarterly, with at least 90 days written notice. (Please reference offering documents for specifics)



North Dakota Board of University and School Lands

Investment Manager Search

Core Real Estate

Performance Data as of: December 2020

Characteristics Data as of: September 2020

Performance Format: Gross of Fees





Table of Contents

Section 1Summary of Investment Managers

- ❖ Harrison Street Core Property Fund
- ❖ JP Morgan Income & Growth
- ❖ MS Prime Property Fund
- ❖ UBS Trumbull Property Fund



Firm Information

	Firm	Year Firm Established	Firm AUM (\$M)	Percentage Employee Owned
Harrison Street CPF	Harrison Street	2005	\$26,366	25%
JPM I&G	JPM Asset Management	1863	\$2,310,200	3%
MS PRIME	Morgan Stanley Real Estate Investing	1991	\$43,891	18%
UBS TPF	UBS Global Asset Management	1978	\$28,853	0%

Data is as of 9/30/2020 except for Harrison Street CPF which is as of 3/31/2020 and JPM I&G which is as of 12/31/2020.

Product Information

	Product Inception	Number of Investors	Product AUM (\$M) (Gross)	Product AUM (\$M) (Net)	AUM by Client Type				
					Corporate	Public	Tart-Hartley	Endowment / Foundation	Other*
Harrison Street CPF	2011	183	\$10,050	\$7,536	29%	33%	0%	4%	35%
JPM I&G	2002	51	\$3,874	\$2,342	11%	23%	5%	6%	54%
MS PRIME	1973	421	\$32,567	\$26,159	24%	29%	4%	0%	44%
UBS TPF	1978	445	\$18,723	\$14,935	26%	56%	6%	2%	10%

*Allocation to "Other" includes: High Net Worth, Insurance Company, Hospitals, Religious Organizations, Fund of Funds and/or Foreign Investors.

Data is as of 9/30/2020 unless otherwise noted.

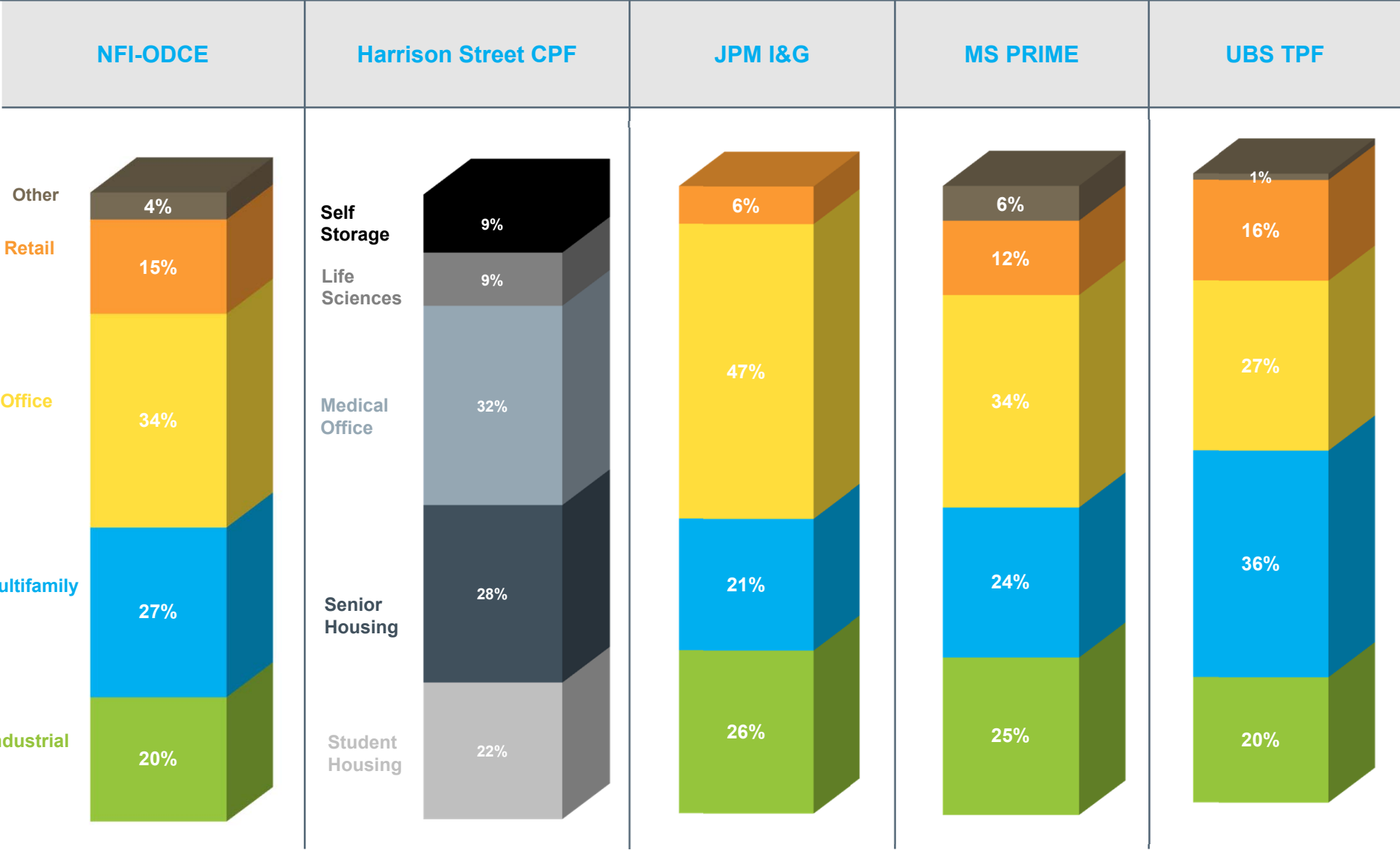
Fund Limits and Characteristics

	Occupancy	Max Leverage (Fund)	Current Leverage	Max Allocation to Non-Core	Curent Allocation to Non-Core	Liquidity	Redemption Queue (\$M) as of 12/31/2020	Entry Queue (\$M) as of 12/31/2020
Harrison Street CPF	86%	40%	24.6%	N/A	2%	Quarterly	366	110
JPM I&G	91%	40%	39.4%	25%	8%	Quarterly	206	0
MS PRIME	92%	50%	18.4%	15%	10%	Quarterly	371	732
UBS TPF	91%	20%	18.8%	15%	6%	Quarterly	8,205	0
NFI - ODCE	92%	35%	22.7%	20%				

Data is as of 9/30/2020 unless otherwise noted.

Sector Exposure

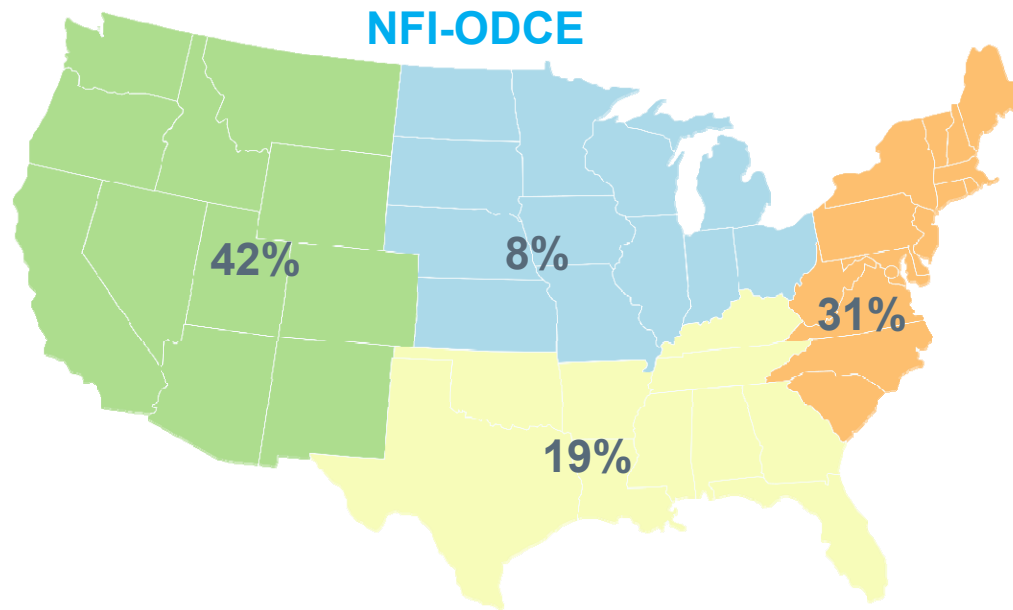
Fund Level



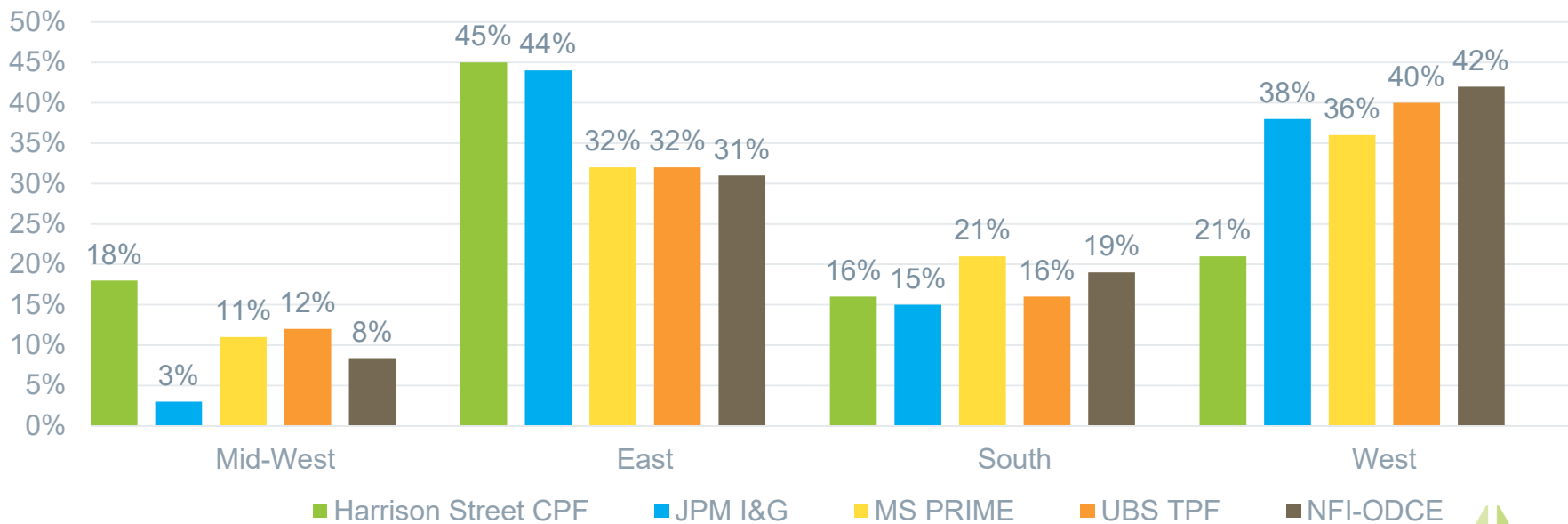
Data is as of 09/30/2020. Allocation to "Other" consists of: MS PRIME – Land, Hotels, Healthcare, and Self Storage. UBS - Hotels



Geographic Exposure



Fund Level Geographic Exposure



Data is as of 09/30/2020.

Fees

	Minimum Investment (\$M)	Management Fee	Incentive Fee	Cash Management Fee
Harrison Street CPF	\$10	1.15% on first \$25 million 1.05% between \$25 million and \$50 million 0.95% between \$50 million and \$75 million 0.90% between \$75 million and \$100 million 0.85% in excess of \$100 million	None	None
JPM I&G	\$10	1.05% on first \$100 million Initial commitment in excess of \$100 million: 1.05% on first \$50 million 0.90% between \$50 million and \$100 million 0.85% between \$100 million and \$150 million 0.80% between \$150 million and \$200 million 0.75% in excess of \$200 million	None	None
MS PRIME	\$5	0.84%	$X * Y * Z * 1/12$ X = 5.0%; Y = NAV (as of the beginning of that month); and Z = "Comparable Property NOI Growth" for that month, expressed as a percentage.	None
UBS TPF	\$5	0.955% on the first \$10 million 0.825% between \$10 million and \$25 million 0.805% between \$25 million and \$50 million 0.790% between \$50 million and \$100 million 0.670% between \$100 million and \$250 million	Yes, but currently paused	None

Data is as of 9/30/2020 unless otherwise noted.

Trailing Period Returns

As of December 2020

Benchmark: NCREIF ODCE - Total

Total Return

Trailing Period Performance	QTD	YTD	1 year	3 years	5 years	7 years	10 years
Harrison Street CPF - Total	1.5	4.9	4.9	7.0	8.5	9.0	---
JPM I&G - Total	-0.9	-1.0	-1.0	2.8	4.9	6.9	10.8
MS PRIME - Total	1.7	2.1	2.1	6.1	7.7	9.9	11.7
UBS TPF - Total	-1.9	-4.0	-4.0	0.2	2.8	5.4	7.1
NCREIF ODCE - Total	1.3	1.2	1.2	4.9	6.2	8.3	9.9

Income Return

Trailing Period Performance	QTD	YTD	1 year	3 years	5 years	7 years	10 years
Harrison Street CPF - Inc.	1.1	4.6	4.6	5.0	5.3	5.6	---
JPM I&G - Inc.	0.7	3.2	3.2	3.8	4.4	4.8	5.3
MS PRIME - Inc.	0.9	3.4	3.4	3.7	3.9	4.1	4.5
UBS TPF - Inc.	0.9	3.9	3.9	4.4	4.5	4.7	4.9
NCREIF ODCE - Inc.	0.9	3.9	3.9	4.1	4.2	4.4	4.7

Appreciation Return

Trailing Period Performance	QTD	YTD	1 year	3 years	5 years	7 years	10 years
Harrison Street CPF - Appr.	0.5	0.4	0.4	1.9	3.0	3.3	---
JPM I&G - Appr.	-1.6	-4.1	-4.1	-1.0	0.5	2.3	5.5
MS PRIME - Appr.	0.8	-1.3	-1.3	2.4	3.7	5.7	7.0
UBS TPF - Appr.	-2.8	-7.7	-7.7	-4.1	-1.7	0.7	2.2
NCREIF ODCE - Appr.	0.4	-2.6	-2.6	0.8	1.9	3.8	5.0

Calendar Year Returns

As of December 2020

Benchmark: NCREIF ODCE - Total

Total Return

Calendar Year Performance	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Harrison Street CPF - Total	4.9	7.9	8.2	11.1	10.3	10.6	10.1	11.0	11.1	---
JPM I&G - Total	-1.0	3.0	6.6	6.5	9.9	13.8	10.1	16.8	17.2	27.7
MS PRIME - Total	2.1	7.4	9.0	9.9	10.4	15.8	15.5	17.6	12.7	17.6
UBS TPF - Total	-4.0	-2.1	7.0	6.3	7.2	12.9	11.7	10.4	10.2	13.2
NCREIF ODCE - Total	1.2	5.3	8.3	7.6	8.8	15.0	12.5	13.9	10.9	16.0

Income Return

Calendar Year Performance	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Harrison Street CPF - Inc.	4.6	5.1	5.3	6.0	5.6	6.2	6.3	5.5	6.1	---
JPM I&G - Inc.	3.2	3.5	4.7	5.3	5.3	5.6	5.9	6.2	6.0	7.2
MS PRIME - Inc.	3.4	3.9	3.9	4.1	4.3	4.4	4.6	5.1	5.6	5.3
UBS TPF - Inc.	3.9	4.8	4.6	4.6	4.7	5.0	5.2	5.1	5.4	5.4
NCREIF ODCE - Inc.	3.9	4.2	4.2	4.3	4.5	4.8	5.0	5.2	5.4	5.5

Appreciation Return

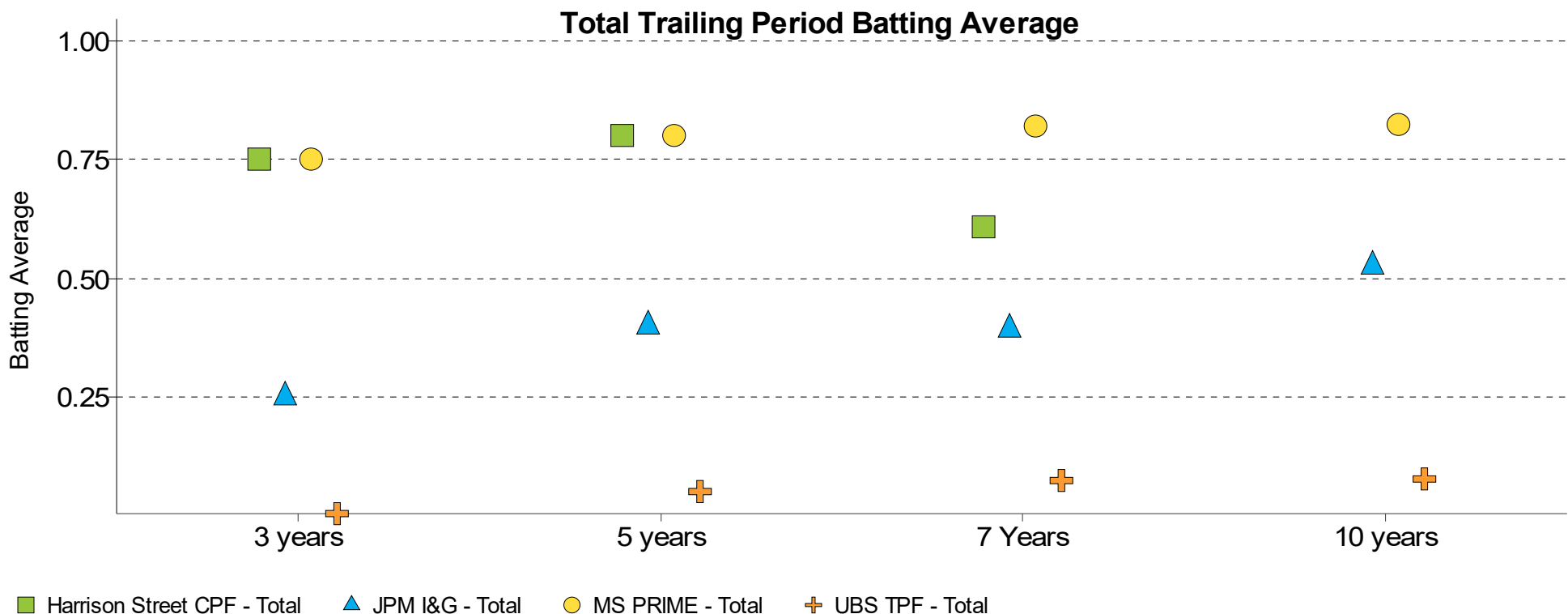
Calendar Year Performance	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Harrison Street CPF - Appr.	0.4	2.7	2.7	4.9	4.6	4.3	3.6	5.3	4.8	---
JPM I&G - Appr.	-4.1	-0.5	1.8	1.3	4.5	9.4	4.1	10.2	10.7	19.4
MS PRIME - Appr.	-1.3	3.4	5.1	5.5	5.8	11.0	10.5	12.1	6.7	11.9
UBS TPF - Appr.	-7.7	-6.7	2.3	1.6	2.4	7.7	6.3	5.1	4.6	7.6
NCREIF ODCE - Appr.	-2.6	1.1	4.0	3.2	4.1	9.9	7.2	8.3	5.3	10.1

Performance shown is gross of fees.

Trailing Period Batting Average

As of December 2020

Benchmark: NCREIF ODCE - Total



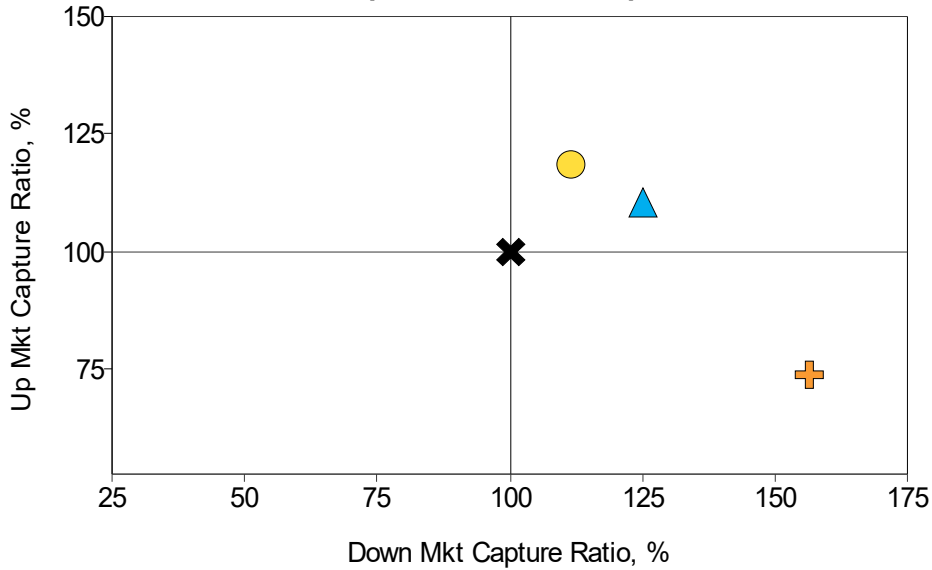
	Up Mkt Batting Average				Down Mkt Batting Average			
	3 Years	5 Years	7 Years	10 Years	3 Years	5 Years	7 Years	10 Years
Harrison Street CPF - Total	0.73	0.79	0.59	---	1.00	1.00	1.00	---
JPM I&G - Total	0.27	0.42	0.41	0.54	0.00	0.00	0.00	0.00
MS PRIME - Total	0.82	0.84	0.85	0.85	0.00	0.00	0.00	0.00
UBS TPF - Total	0.00	0.05	0.07	0.08	0.00	0.00	0.00	0.00

Up/Down Market Capture - Ten and Fifteen Year

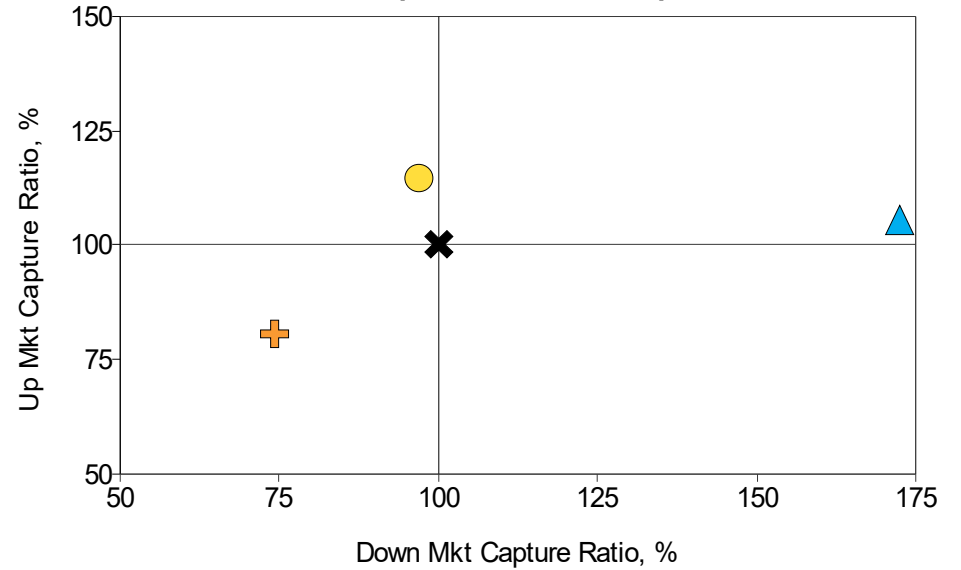
As of December 2020

Benchmark: NCREIF ODCE - Total

Ten Year Up/Down Market Capture Ratio



Fifteen Year Up/Down Market Capture Ratio



■ Harrison Street CPF - Total
 ▲ JPM I&G - Total
 ● MS PRIME - Total
 + UBS TPF - Total

	Down Mkt Cap Ratio, %	Down Mkt Quarters	Up Mkt Cap Ratio, %	Up Mkt Quarters
Harrison Street CPF - Total	---	---	---	---
JPM I&G - Total	125.22	1	109.50	39
MS PRIME - Total	111.63	1	118.56	39
UBS TPF - Total	156.39	1	73.52	39
NCREIF ODCE - Total	100.00	1	100.00	39

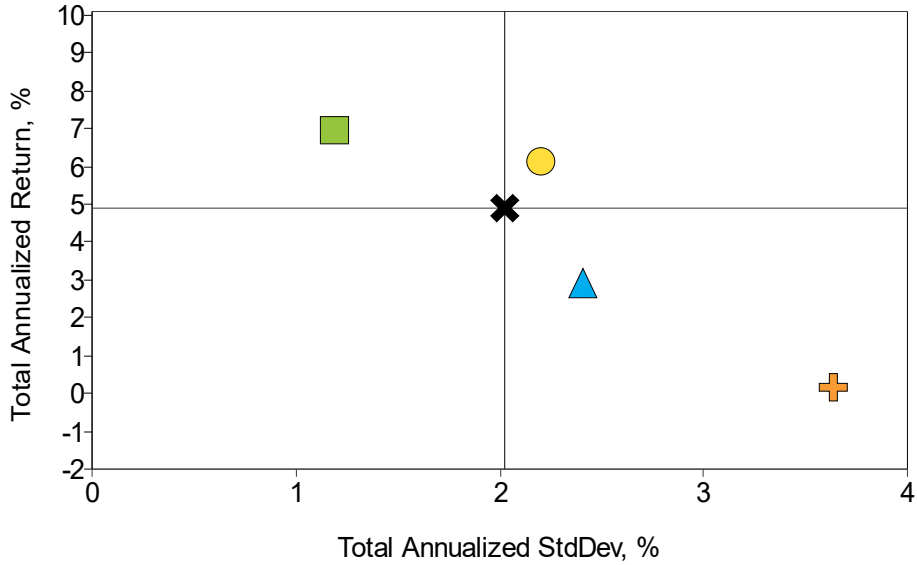
	Down Mkt Cap Ratio, %	Down Mkt Quarters	Up Mkt Cap Ratio, %	Up Mkt Quarters
Harrison Street CPF - Total	---	---	---	---
JPM I&G - Total	172.57	7	104.68	53
MS PRIME - Total	96.83	7	114.62	53
UBS TPF - Total	74.37	7	80.84	53
NCREIF ODCE - Total	100.00	7	100.00	53

Risk/Return - Three and Five Year

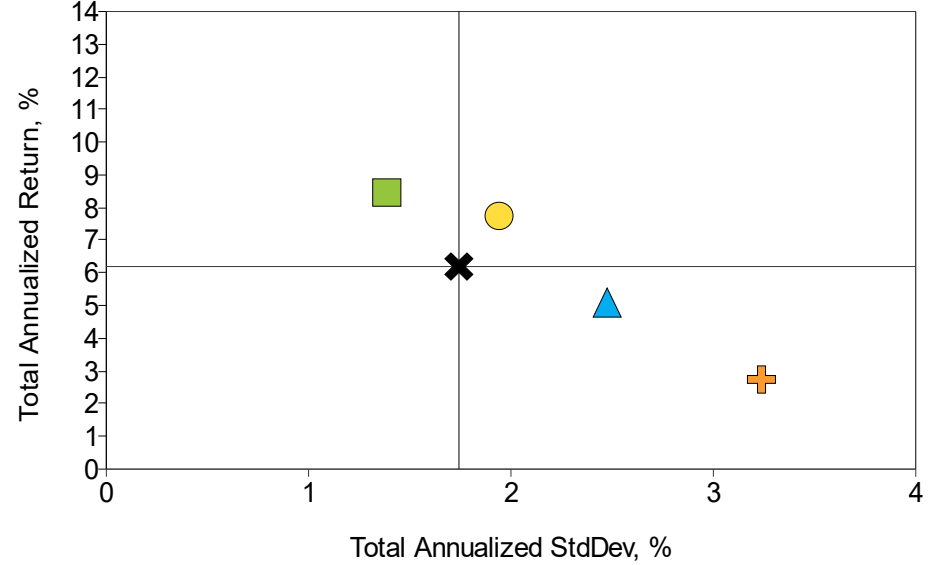
As of December 2020

Benchmark: NCREIF ODCE - Total

Three Year Risk/Return



Five Year Risk/Return



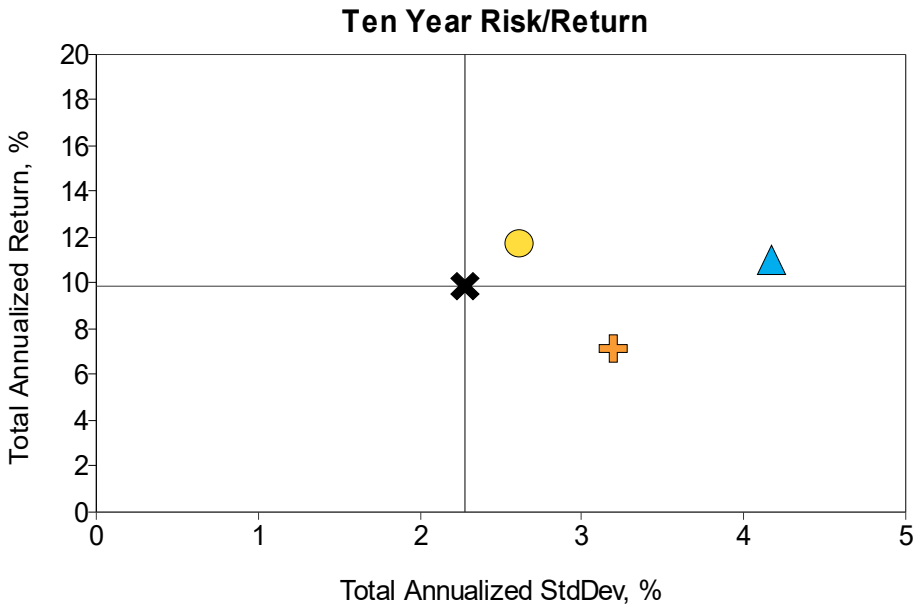
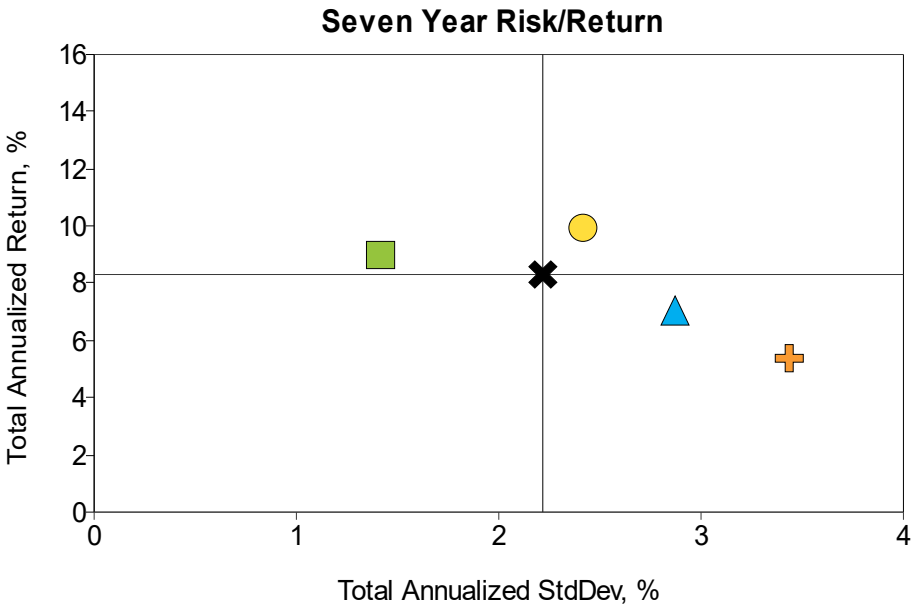
■ Harrison Street CPF - Total
 ▲ JPM I&G - Total
 ● MS PRIME - Total
 + UBS TPF - Total

	Annualized Return	Annualized Std. Dev.
Harrison Street CPF - Total	6.98	1.19
JPM I&G - Total	2.81	2.41
MS PRIME - Total	6.14	2.20
UBS TPF - Total	0.17	3.64
NCREIF ODCE - Total	4.91	2.02

	Annualized Return	Annualized Std. Dev.
Harrison Street CPF - Total	8.47	1.38
JPM I&G - Total	4.93	2.48
MS PRIME - Total	7.72	1.94
UBS TPF - Total	2.75	3.24
NCREIF ODCE - Total	6.21	1.74

Risk/Return - Seven and Ten Year

As of December 2020 Benchmark: NCREIF ODCE - Total



■ Harrison Street CPF - Total ▲ JPM I&G - Total ● MS PRIME - Total + UBS TPF - Total

	Annualized Return	Annualized Std. Dev.
Harrison Street CPF - Total	9.00	1.41
JPM I&G - Total	6.87	2.87
MS PRIME - Total	9.94	2.42
UBS TPF - Total	5.40	3.43
NCREIF ODCE - Total	8.31	2.21

	Annualized Return	Annualized Std. Dev.
Harrison Street CPF - Total	---	---
JPM I&G - Total	10.78	4.17
MS PRIME - Total	11.72	2.61
UBS TPF - Total	7.12	3.20
NCREIF ODCE - Total	9.87	2.28



3 and 5 Year Returns Correlations

As of December 2020

Benchmark: NCREIF ODCE - Total

3 Year Correlations

Correlation: 2018Q1 - 2020Q4	Harrison Street CPF - Total	JPM I&G - Total	MS PRIME - Total	UBS TPF - Total
Harrison Street CPF - Total	1.00	0.74	0.82	0.63
JPM I&G - Total	0.74	1.00	0.71	0.67
MS PRIME - Total	0.82	0.71	1.00	0.45
UBS TPF - Total	0.63	0.67	0.45	1.00
NCREIF ODCE - Total	0.86	0.81	0.94	0.65

5 Year Correlations

Correlation: 2016Q1 - 2020Q4	Harrison Street CPF - Total	JPM I&G - Total	MS PRIME - Total	UBS TPF - Total
Harrison Street CPF - Total	1.00	0.69	0.76	0.67
JPM I&G - Total	0.69	1.00	0.71	0.68
MS PRIME - Total	0.76	0.71	1.00	0.57
UBS TPF - Total	0.67	0.68	0.57	1.00
NCREIF ODCE - Total	0.79	0.78	0.94	0.73

7 and 10 Year Returns Correlations

As of December 2020

Benchmark: NCREIF ODCE - Total

7 Year Correlations

Correlation: 2014Q1 - 2020Q4	Harrison Street CPF - Total	JPM I&G - Total	MS PRIME - Total	UBS TPF - Total
Harrison Street CPF - Total	1.00	0.69	0.64	0.61
JPM I&G - Total	0.69	1.00	0.80	0.73
MS PRIME - Total	0.64	0.80	1.00	0.74
UBS TPF - Total	0.61	0.73	0.74	1.00
NCREIF ODCE - Total	0.65	0.82	0.96	0.83

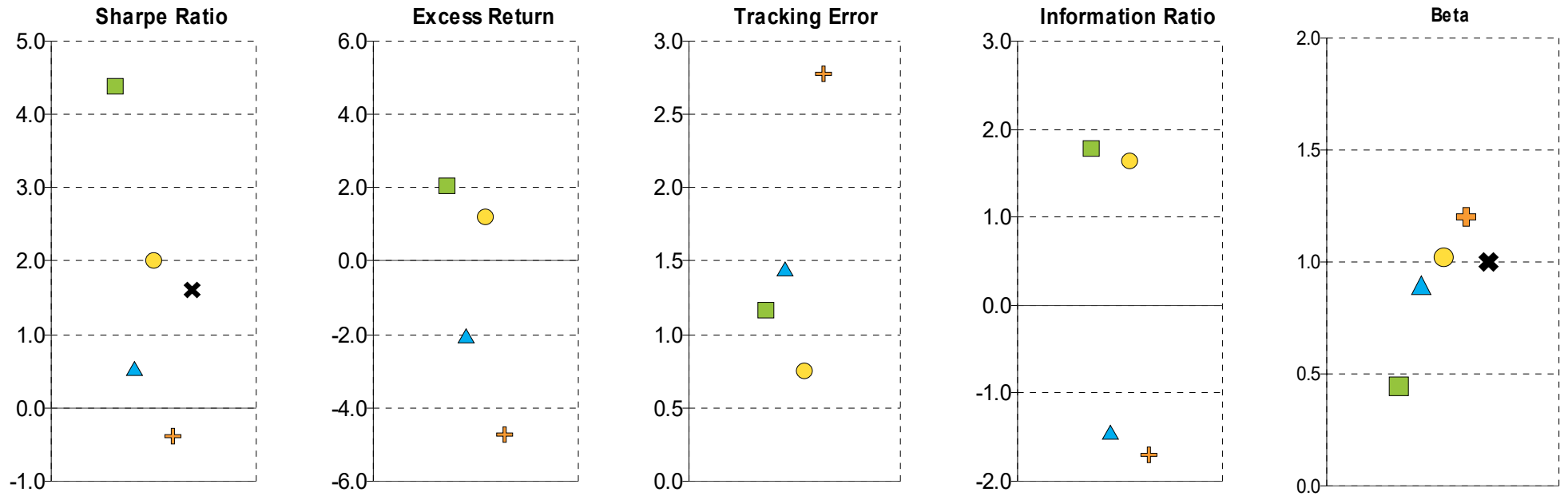
10 Year Correlations

Correlation: 2011Q1 - 2020Q4	Harrison Street CPF - Total	JPM I&G - Total	MS PRIME - Total	UBS TPF - Total
Harrison Street CPF - Total	---	---	---	---
JPM I&G - Total	---	1.00	0.78	0.70
MS PRIME - Total	---	0.78	1.00	0.75
UBS TPF - Total	---	0.70	0.75	1.00
NCREIF ODCE - Total	---	0.81	0.91	0.86

Modern Portfolio Theory Statistics - Three Year

As of December 2020

Benchmark: NCREIF ODCE - Total



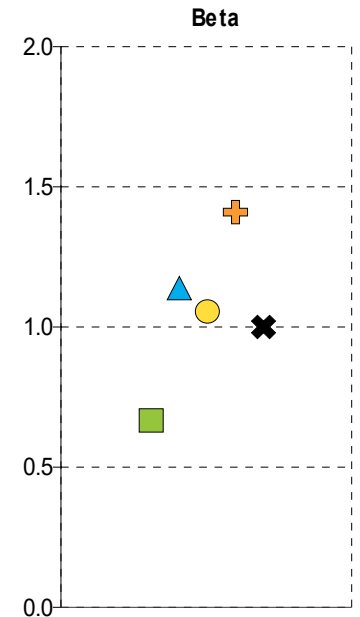
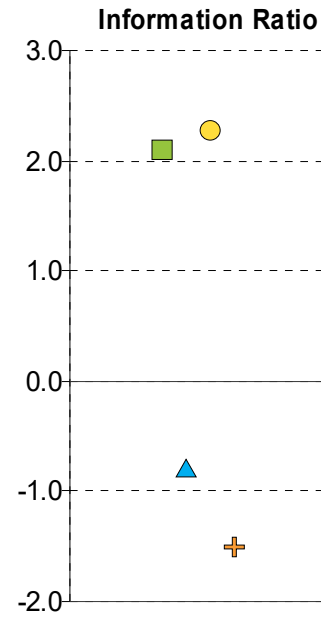
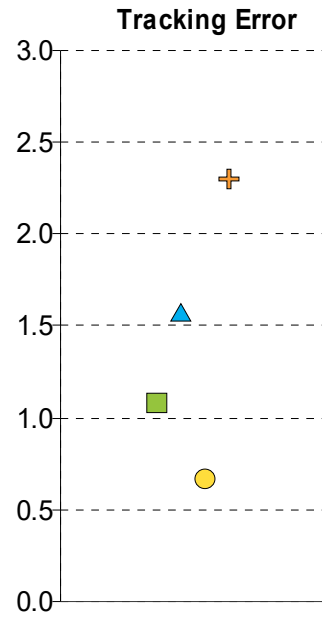
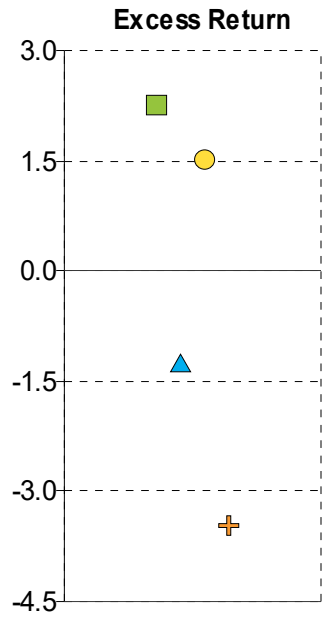
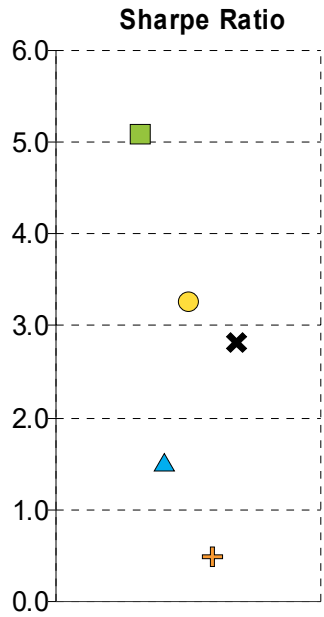
■ Harrison Street CPF - Total
 ▲ JPM I&G - Total
 ● MS PRIME - Total
 + UBS TPF - Total

Firm/Product	Sharpe Ratio	Excess Return %	Tracking Error	Information Ratio	Beta
Harrison Street CPF - Total	4.38	2.07	1.17	1.78	0.44
JPM I&G - Total	0.50	-2.10	1.43	-1.47	0.88
MS PRIME - Total	2.01	1.23	0.75	1.64	1.02
UBS TPF - Total	-0.38	-4.74	2.78	-1.71	1.20
NCREIF ODCE - Total	1.61	0.00	0.00	---	1.00

Modern Portfolio Theory Statistics - Five Year

As of December 2020

Benchmark: NCREIF ODCE - Total



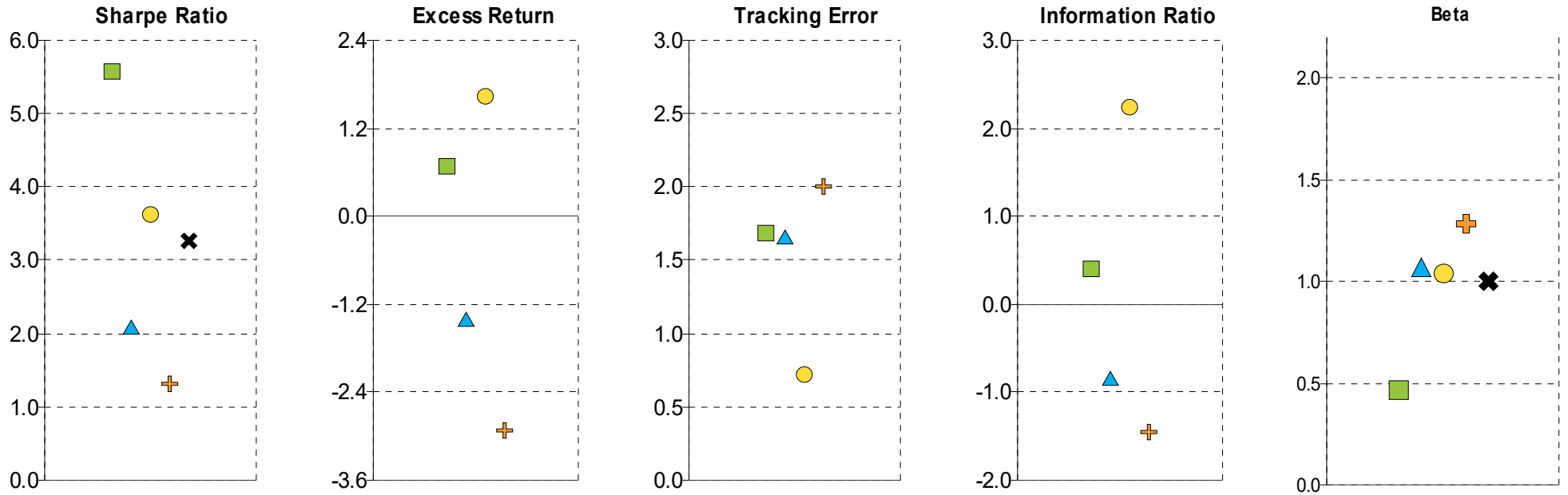
■ Harrison Street CPF - Total ▲ JPM I&G - Total ● MS PRIME - Total + UBS TPF - Total

Firm/Product	Sharpe Ratio	Excess Return %	Tracking Error	Information Ratio	Beta
Harrison Street CPF - Total	5.08	2.25	1.08	2.09	0.67
JPM I&G - Total	1.48	-1.29	1.56	-0.82	1.13
MS PRIME - Total	3.27	1.51	0.66	2.28	1.05
UBS TPF - Total	0.49	-3.46	2.30	-1.51	1.41
NCREIF ODCE - Total	2.81	0.00	0.00	---	1.00

Modern Portfolio Theory Statistics - Seven Year

As of December 2020

Benchmark: NCREIF ODCE - Total



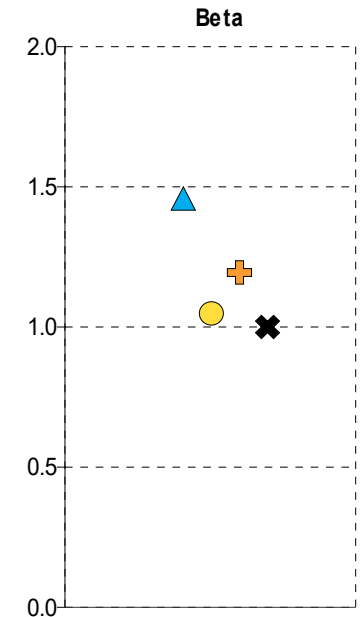
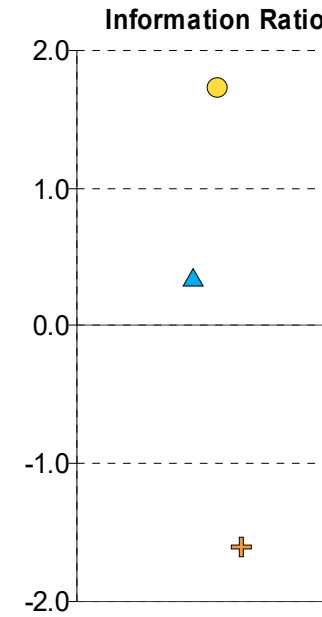
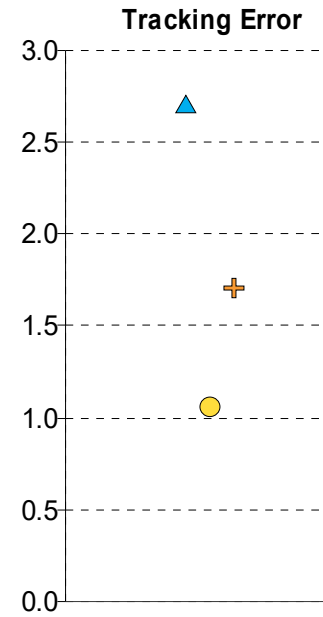
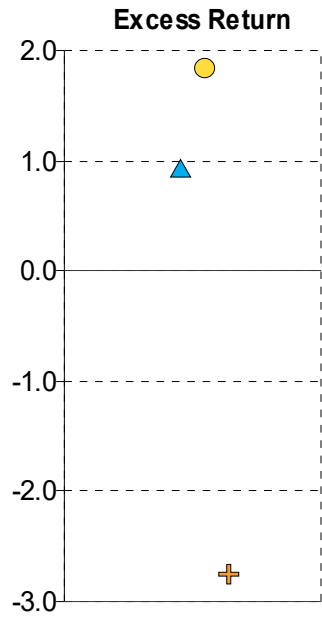
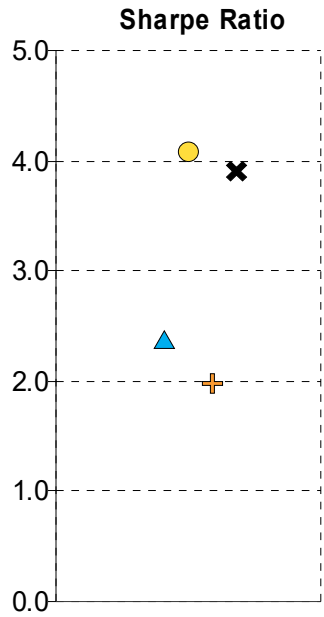
■ Harrison Street CPF - Total ▲ JPM I&G - Total ● MS PRIME - Total + UBS TPF - Total

Firm/Product	Sharpe Ratio	Excess Return %	Tracking Error	Information Ratio	Beta
Harrison Street CPF - Total	5.57	0.69	1.69	0.41	0.47
JPM I&G - Total	2.05	-1.44	1.65	-0.88	1.05
MS PRIME - Total	3.62	1.63	0.72	2.25	1.04
UBS TPF - Total	1.31	-2.92	2.00	-1.46	1.29
NCREIF ODCE - Total	3.26	0.00	0.00	---	1.00

Modern Portfolio Theory Statistics - Ten Year

As of December 2020

Benchmark: NCREIF ODCE - Total



■ Harrison Street CPF - Total ▲ JPM I&G - Total ● MS PRIME - Total + UBS TPF - Total

Firm/Product	Sharpe Ratio	Excess Return %	Tracking Error	Information Ratio	Beta
Harrison Street CPF - Total	---	---	---	---	---
JPM I&G - Total	2.35	0.91	2.69	0.34	1.44
MS PRIME - Total	4.08	1.84	1.06	1.74	1.05
UBS TPF - Total	1.99	-2.75	1.71	-1.61	1.20
NCREIF ODCE - Total	3.91	0.00	0.00	---	1.00

PORTLAND

BOISE

CHICAGO

NEW YORK

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HARRISON STREET

PREPARED FOR:

NORTH DAKOTA BOARD
OF UNIVERSITY AND
SCHOOL LANDS

APRIL 2021 | CONFIDENTIAL

PERE
AWARDS 2020

Alternatives Investor of the Year: Global
Alternatives Investor of the Year: North America
Firm of the Year: UK
Residential Investor of the Year: Europe

Page 078

Pensions&Investments ★★2020★★
BEST PLACES TO WORK
IN MONEY MANAGEMENT
MULTIYEAR WINNER
2014 ★ 2015 ★ 2016 ★ 2017 ★ 2018 ★ 2019

EXCLUSIVELY INVESTING IN ALTERNATIVE REAL ASSETS

Creating **differentiated investment solutions** since 2005

Leader in real asset investments targeting Education, Healthcare, Life Sciences and Storage sectors

Invested **\$40.2 billion** across **1,148 assets** since inception

- US, UK, Ireland, Spain, France, Germany, Canada
- 47 states in the US
- 183 universities
- 30 healthcare systems
- 50+ operating partners

Continue to innovate with one of the **largest network of university and healthcare partners**



As of December 31, 2020 and includes the total project cost of the Firm's entire track record since inception. Non-USD investments have been converted to USD using the exchange rate as of the reporting date

DEMOGRAPHIC-DRIVEN, NEEDS-BASED FOCUS



- Demographic-driven demand
 - Needs-based
 - Mission critical assets
 - High credit quality counterparties and users
 - Proven resiliency throughout cycles
- Smaller average asset sizes and middle market focus
 - Yield premiums resulting from fragmented assets
 - Value creation though portfolio aggregation opportunities
- Management and operational expertise a must
 - Access through deep relationships and knowledge of end users, i.e. universities and health systems
 - Expansive partner relationships required in order to achieve scale

LONG-TERM FIRM STABILITY

- **\$32.1 billion** in **assets under management** across the risk-return spectrum
- **195-person team** based in **Chicago, London & Toronto**
- **Consistency of Investment Committee**, responsible for track record
- Senior employees **control day-to-day management** and **strategic decisions**
- **Cycle tested experience** through the GFC and COVID-19
- **Implemented next generation succession plan** in July 2018 with Colliers International Group¹

GLOBAL INSTITUTIONAL INVESTOR BASE



410 institutional investors across the globe including North America, Europe, Asia-Pacific, Middle East and Latin America

Data as of December 31, 2020

¹ Harrison Street is owned 25% by senior members of the firm and 75% by Colliers International Group effective July 2018

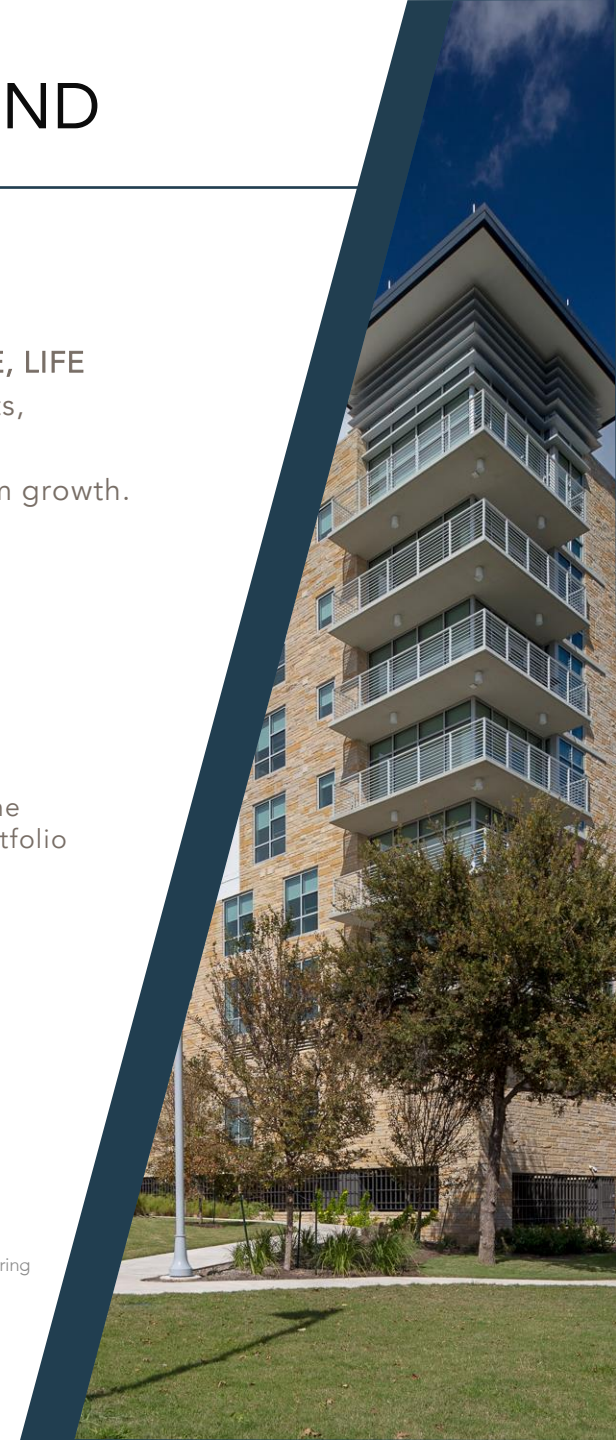
HARRISON STREET CORE PROPERTY FUND

Investment Strategy

Manage a diversified portfolio of high-quality, stabilized **EDUCATION, HEALTHCARE, LIFE SCIENCES, and STORAGE** assets. Harrison Street believes investments in these assets, including student housing, senior housing, medical office, life sciences and storage properties, provide an attractive combination of strong current income and long-term growth.

Inception Date	November 2011
Structure	Open-end fund, perpetual life
Target Return	Deliver attractive current income with minimal volatility and the opportunity for capital appreciation in a highly diversified portfolio
Target Leverage	22-27% LTV
Target Markets	Demographic-driven markets including strong university towns and leading healthcare systems

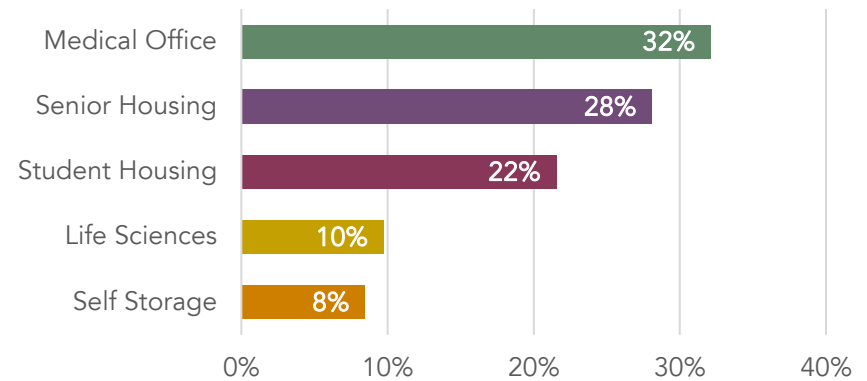
The information above is a brief summary of certain principal terms of the offering and is qualified in its entirety by the more detailed information appearing in the Private Placement Memorandum (PPM), including the "Principal Terms" section. Investors are encouraged to read the fund's entire PPM



PORTFOLIO OVERVIEW

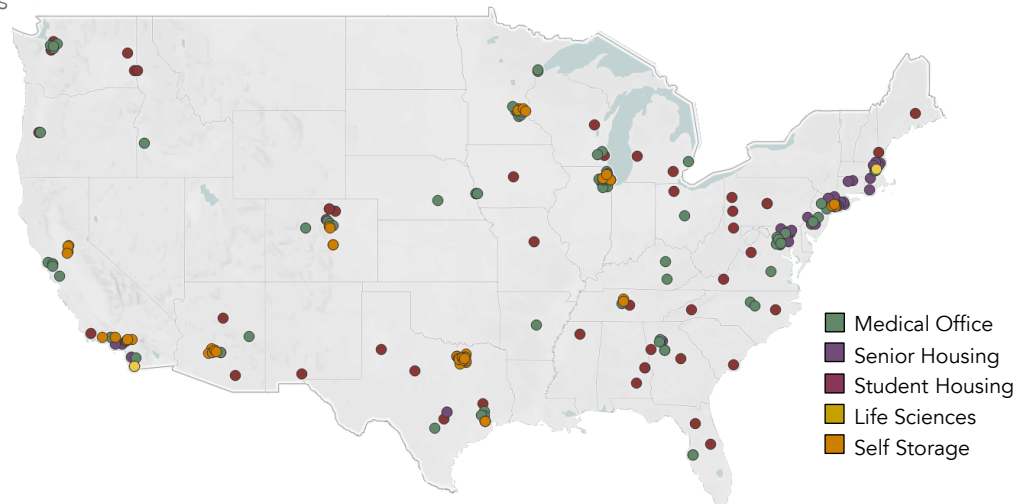
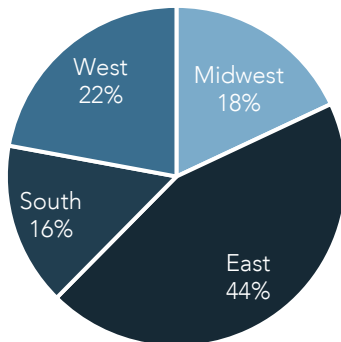
Gross Asset Value	\$10.1 billion
Net Asset Value	\$7.6 billion
Number of Properties	312
Occupancy ¹	85%
Average Asset Age	9.9 years
Average Gross Asset Size ²	\$32 million

Sector Diversification²



Geographic Diversification

Target markets based on strength of underlying demographics, universities, healthcare systems and/or life science clusters. Investments in 36 states, 72 MSAs and 211 cities throughout the United States



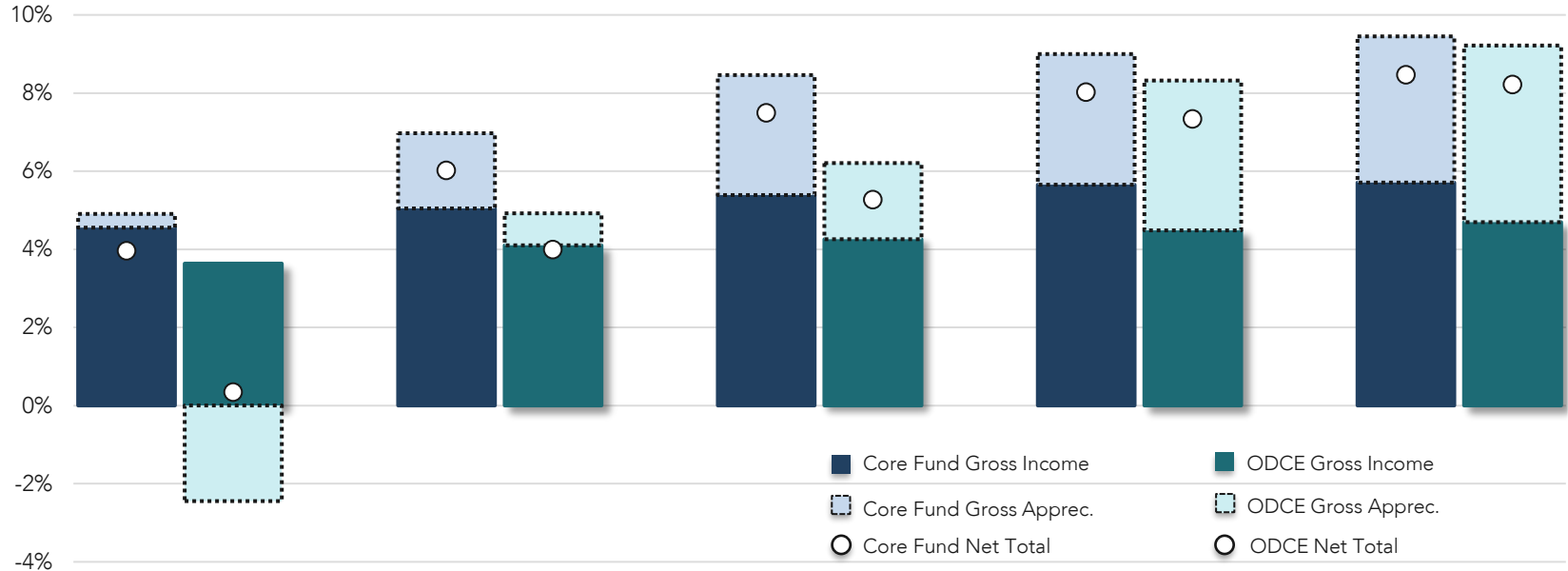
Data as of December 31, 2020

¹ Occupancy excludes development and value-add assets

² Shown at the Core Fund's ownership share

FUND PERFORMANCE

- The Fund's gross total return **outperformed** ODCE over the trailing 1, 3, 5, 7 and since inception years
- The Fund's income return **outperformed** the ODCE's income return for 31 consecutive quarters



	One Year		Three Year		Five Year		Seven Year		Since Inception	
Gross Total Return	Core Fund	ODCE	Core Fund	ODCE	Core Fund	ODCE	Core Fund	ODCE	Core Fund	ODCE
	4.91%	1.19%	6.98%	4.92%	8.46%	6.21%	9.00%	8.32%	9.45%	9.22%
Spread	372 bps		206 bps		225 bps		68 bps		23 bps	

Based on December 31, 2020

The NCREIF Fund Index – Open End Diversified Core Equity (ODCE) index is a gross-of-fees capitalization-weighted index of the core open end funds focused on investments in commercial real estate. Gross returns are net of general expenses and gross of management fees. Net returns are after both fees and expenses. Returns portrayed reflect the reinvestment of dividends of participants who have elected to reinvest. See additional important disclosures on disclosure page

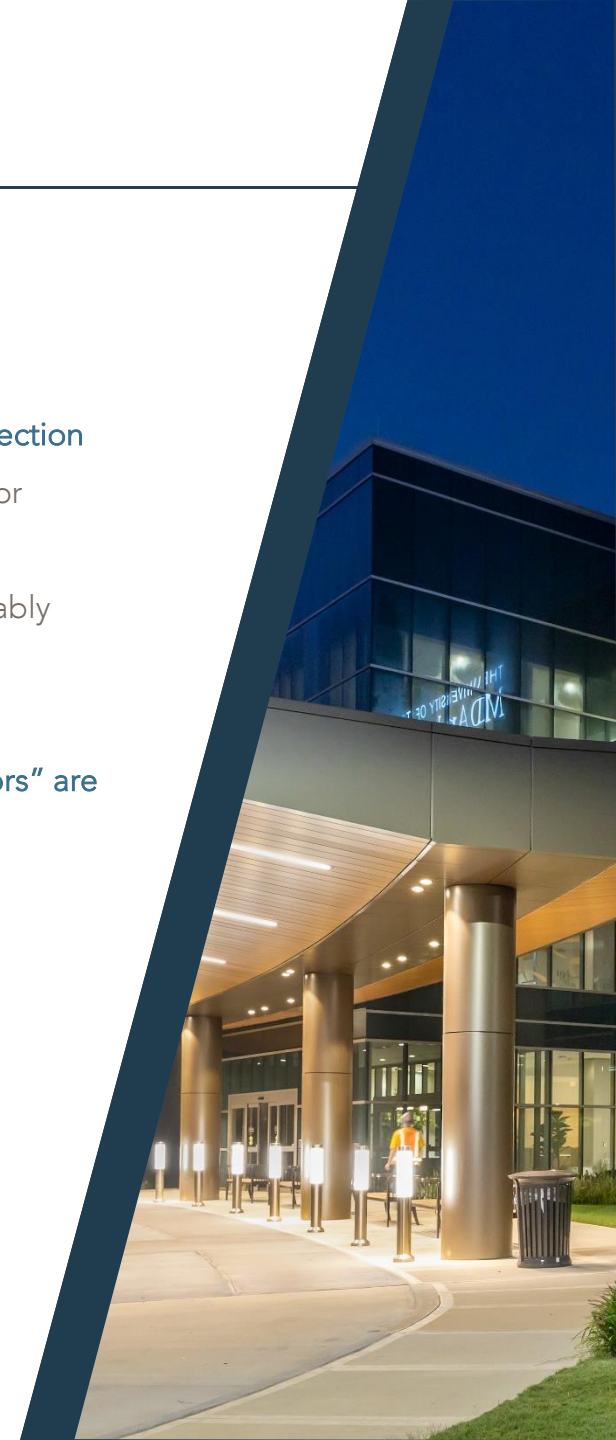
LOOKING AHEAD

OUTLOOK AND STRATEGY

- Anticipate continued **outperformance of traditional real estate**
- Continue to generate an **attractive distribution yield**
- Continue to **source investment opportunities consistent with portfolio's strategic direction**
 - **Maintain strategic tilt of portfolio** with ~70% allocated to medical office, senior housing and life sciences sectors; **catering to aging population**
 - **Balance geographic footprint** with focus on west coast versus east coast, notably within senior housing
 - **Continue to grow relationships with major health systems and universities**
- Continue to re-build occupancy at impacted senior housing assets as **the "front doors" are now open and the vaccine is rolled-out**
- Optimize asset-level performance with **frequent reassessment of business plans**

As of December 31, 2020

¹ Levered Returns are net of general expense and gross of management fees.



APPENDIX

JOEY LANSING

Partner, Head of Portfolio Management



Mr. Lansing is an equity owner of the firm and member of the firm's Executive and Investment Committees. As Head of Portfolio Management and Strategy, Mr. Lansing serves as the Senior Portfolio Manager for the core fund and leads the Portfolio Management group. He also oversees the Asset Management, Data Analytics, Technology and Impact (Sustainability) functions for the firm.

Prior to joining Harrison Street, Mr. Lansing was the Chief Operating Officer for an institutional real estate consulting firm. He was responsible for all operational and administrative aspects of the company including strategic planning, compliance, human resources, information technology and portfolio performance measurement. Prior to that, Mr. Lansing was a Senior Principal at Syndicated Equities, where he led the Syndicated Access Fund. In this position, Mr. Lansing developed the investment strategy, oversaw fund formation and manager selection, led all capital raising and investor relations activities and monitored investment performance for two private equity real estate funds of funds. Prior to joining Syndicated Equities, he was the Executive Vice President and General Counsel for Levy Restaurants and spent several years practicing real estate law in Chicago.

Mr. Lansing is a Founding Member, Member of the Board of Directors and Finance Committee Chairman for Chicago Scholars. He earned his B.A. in Political Science with distinction from the University of Michigan and a J.D. from Loyola University of Chicago School of Law.

JENNA SHEEHAN

Senior Managing Director, Investor Relations



As Head of Investor and Consultant Relations, Ms. Sheehan is responsible for developing and maintaining relationships with the global consultant community as well as managing the North American Investor Relations team. She also leads the firm's marketing and brand strategy and plays an integral role in strategic development within the firm. Ms. Sheehan is a member of the Firm's Executive Committee and co-chair of the Diversity & Inclusion Committee.

Prior to joining Harrison Street, Ms. Sheehan was a Partner and Director of Client Services & Marketing at Heitman and brings nearly 20 years of industry experience to the firm. She held various roles during her tenure, most recently leading the consultant relations, capital raising and business development efforts in North America. Her responsibilities included establishing and developing relationships with top consulting firms, which represented more than \$20 billion in assets under management.

Ms. Sheehan received a BBA in Accounting from Western Michigan University and an MBA from the University of Chicago. She is a Certified Public Accountant and a Series 7, 66, and 79 Registered Representative. Ms. Sheehan is an Advisory Board member for Girls Who Invest as well as a member of Pension Real Estate Association, Women in Real Estate and other industry organizations.

HARRISON STREET CORE PROPERTY FUND, LP

Important Disclosures

- **Fund Structure:** Harrison Street Core Property Fund, L.P. is a Delaware limited partnership. The Core Fund owns investments through a subsidiary real estate investment trust ("REIT"), which is taxed as REIT for federal income tax purposes.
- **Contributions:** The minimum commitment for each Investor is \$10 million, unless the General Partner in its sole and absolute discretion accepts a lesser amount. Subscription agreements are accepted quarterly.
- **Distributions:** Cash flow distributions will generally be made on a quarterly basis. A Dividend Reinvestment Program (DRIP) is available to Investors.
- **Redemptions:** Investors may request that the Fund redeem all or any portion of their Units as of the end of any calendar quarter by delivering written notice at least 45 days before the end of the calendar quarter. A redemption charge of 50 bps of the amount redeemed will be assessed by the Fund against all redemptions by an Investor during the period prior to the first anniversary of the Closing Date upon which such Investor's Subscription Agreement was accepted.
- **Valuations:** The Fund has engaged Altus Group, a third-party appraisal management firm, to oversee and administer the appraisal process for the Fund. Commencing with the calendar quarter that includes the anniversary of an asset's acquisition, and continuing annually thereafter, the third-party appraisal management firm will coordinate and/or perform a full appraisal. Such appraisal will be updated quarterly by the appraiser or the Appraisal Management Firm. Debt and derivatives will be "marked-to-market" as determined by the General Partner each calendar quarter.
 - **Investment Guidelines:** The Fund will adhere to the following investment guidelines:
 - Maximum leverage of 40% at the fund level
 - No single property type shall exceed 40% of gross asset value
 - No single investment shall exceed 15% of gross asset value
 - Investments in single Metropolitan Statistical Area (MSA) shall not exceed 20% of gross asset value, or 30% in top ten MSAs
- **Investment Management Fee:** Each Investor shall be obligated to pay to the Investment Manager an annual investment management fee, payable quarterly in arrears, based on such Investor's respective share of Fund Net Asset Value as of the last business day of the calendar quarter, in accordance with the following schedule:

Investor's NAV	Annual Percentage
First \$25 million	1.15%
In excess of \$25 million to \$50 million	1.05%
In excess of \$50 million to \$75 million	0.95%
In excess of \$75 million to \$100 million	0.90%
In excess of \$100 million	0.85%

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DISCLAIMER

The materials contained in this report may not be distributed, circulated, quoted, or otherwise disseminated without the prior written consent of Harrison Street. Any projections or other estimates in this presentation, including estimates of returns or performance, are forward-looking statements and are based upon certain assumptions. Other events, which were not taken into account, may occur and may significantly affect performance. Any assumptions should not be construed to be indicative of the actual events that will occur. Actual events are difficult to predict and may depend upon factors that are beyond the control of Harrison Street. Certain assumptions have been made to simplify the presentation, and, accordingly, actual results will differ, and may differ significantly, from those presented. Some important factors which could cause actual results to differ materially from those projected or estimated in any forward-looking statements include, but are not limited to, the following: changes in interest rates and financial, market, economic or legal conditions. In addition, the degree of risk will be increased as a result of the leveraging of investments. Other risks are described in the disclosure and other documents related to particular investments. Accordingly, there can be no assurance that targeted returns or projections can be realized or that actual returns or results will not be materially lower or inferior than those targeted herein. Such targeted returns and projections should be viewed as hypothetical and do not represent the actual returns that may be achieved by an investor. Unless otherwise stated, the projected or targeted performance information shown herein is shown gross of fees and expenses, the projected or target performance information does not reflect the deduction of costs and expenses, including management fees, that may be payable to manage the portfolio and that would reduce the projected benchmark, target or pro forma returns. Actual performance results will be reduced by fees, costs and expenses including but not limited to investment management fees and other costs such as custodial, reporting, evaluation and advisory services. Investors should conduct their own analysis, using such assumptions as they deem appropriate, and should fully consider other available information, including the information described in the disclosure and other documents related to particular investments in making an investment decision. In considering the prior performance information contained in this presentation, investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that any investment will achieve its targeted results. Individual property investments described herein are summaries only, relate only to the Harrison Street-sponsored fund or investment vehicle (in each case, a "Fund") which made or may make such investment, and may not be indicative of other or future investments. Investment strategies described herein for individual property investments are subject to change. Sample investments are provided for discussion purposes and may not include all investments made by a Fund.

Each purchaser of any securities in investment vehicles offered by Harrison Street is required to be an "accredited investor," as such term is defined in Regulation D promulgated by the SEC under the Securities Act of 1933, as amended, and may also be required to be a "qualified purchaser," as such term is defined under the Investment Company Act of 1940, as amended, as disclosed in the specific vehicles' Offering Documents (as defined below). This presentation is not an offer to sell or a solicitation of an offer to purchase any securities of Harrison Street or any affiliate, and any such offers will only be made pursuant to a private placement memorandum or similar disclosure document and/or other definitive documentation relating to any such security ("Offering Documents"). The information contained herein is a summary only and does not contain material information that is or will be detailed in the Offering Documents related to a specific security, including, but not limited to, descriptions of terms and risk factors. Investors should make a decision to invest based solely on the information provided in the Offering Documents. Harrison Street may have a financial interest in the investors' investment in the Fund on account of the management or advisory fees that Harrison Street may receive from the Fund as disclosed in the applicable Offering Documents and governing documents of the Fund.

All information herein is given as of the date of this company overview unless otherwise stated, and Harrison Street undertakes no obligation to update any such information. Totals may not sum due to rounding.GRESB is a fee-based real estate sustainability benchmark that offers data and portfolio analysis tools to investment managers and other institutional clients.

*As used herein, unless the context otherwise requires, "Harrison Street" refers collectively to Harrison Street Real Estate Capital, LLC, and its affiliates and subsidiaries, including Harrison Street Advisors, LLC.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Schrodgers Securitized Credit Mandate

In October 2020, the Board of University and School Lands (Board) approved a revision to the Fixed Income asset allocation of the Permanent Trust Funds' (PTFs). During the discussion Department of Trust Lands (Department) staff mentioned that the Schrodgers' mandate was also being reviewed for possible changes. The Department has now completed a thorough review of the securitized mandate and determined that a recommendation to expand the credit criteria and asset mixed should be made to the Board.

In June 2018, the Board approved a securitized credit mandate with Schrodgers. The mandate was for a high-quality, "A+" average investment grade, short duration portfolio of securitized credit (including: residential mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities).

The Department undertook a search of possible managers to take on an expanded securitized mandate. The Department began the new manager search by asking RVK to compile a list of the top performing securitized credit managers within RVK's database. The Department and RVK reviewed the performance and risk history of each manager, along with fees, asset quality, asset characteristics, and investment structures. The Department identified and interviewed its selection of the top three managers, including Schrodgers, to review their investment strategies and processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board approve an expanded securitized credit mandate with Schrodgers. The new mandate would allow Schrodgers to move down in average credit quality from A+ to BBB-, as well as allow for the manager to purchase unsecuritized pools or loans and other receivables. Also, moving from a Libor + 175 targeted return to a Libor + 500 targeted return.

Schrodgers is launching a new securitized investment vehicle, in which, if approved, the PTFs will be the founding limit partner, for which the PTFs will receive a preferred management fee. The Schrodgers Flexible Securitized Income Fund is an open-end fund with quarterly liquidity. The Department recommends investing the existing securitized mandate (~\$123 Million) and an additional amount from core bonds for a total of \$200 Million.

Schrodgers is an investment manager headquartered in New York and London, with offices throughout the globe. They have over \$780 Billion in assets under management, including \$16 billion in securitized assets. The securitized credit team consists of 16 investment professionals with deep experience in securitized and asset-based markets.

Recommendation: The Board approve a \$200 Million investment with Schrodgers Flexible Securitized Income Fund in the fixed income asset allocation, subject to final review and approval of all legal documents by the Office of the Attorney General.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

Attachment 1: RVK Recommendation Memo

Attachment 2: Schrodgers' Presentation



Memorandum

To	North Dakota Board of University and School Lands
From	RVK, Inc.
Subject	Opportunistic Securitized Fixed Income Search and Recommendation
Date	April 29, 2021

Overview

As a component of the on-going review of the fixed income portfolio, and with consideration for the current yield environment, RVK has been discussing with investment staff the potential opportunities to improve the return and risk/return profile of the securitized credit allocation currently managed by Schroders. Although Schroders as an incumbent manager does offer securitized credit strategies along the risk/return spectrum, we collectively agreed it was most appropriate to consider the broader range of alternative asset managers with specialized skills in this space. As such, we have been conducting a competitive review process to evaluate the top tier of asset managers with opportunistic securitized credit strategies.

Recommendation

Based on the manager search process and due diligence performed, **Staff and RVK recommend the Board reallocate all capital currently invested in the Land Board's existing Schroder Enhanced Securitized LIBOR mandate to the Schroder Opportunistic Multi-Sector strategy. The new mandate's total funding amount will be approximately \$200 million (16.3% of the Land Board's fixed income portfolio and 3.6% of the Total Fund).** While all finalists considered for the investment of this new mandate were institutional quality firms with solid offerings, Schroders exhibited several key advantages compared to the other finalists, including its status as an existing Land Board manager, an attractive risk/return profile, a comprehensive and repeatable investment process, transition management efficiencies, and attractive fees.

North Dakota's incumbent mandate is an investment grade diversified global securitized portfolio with a return objective of LIBOR+175 basis points ("bps") over a full market cycle. The strategy was put in place in 2018 as part of the plan's liquid fixed income bucket to achieve attractive income with less risk than traditional fixed income offerings. Today, North Dakota is undergoing a shift in their portfolio allocation, increasing allocations to private debt and evaluating any overlap with core fixed income mandates to maximize diversification and diversify out the lengthening duration risk in typical core offerings. The Schroders Opportunistic Multi-Sector strategy allocates to credit in securitized fixed income, which would not overlap with the plan's core fixed income offerings. The strategy targets a return of LIBOR+500 bps, offers low duration, and benefits from complexity and liquidity premiums compared to the incumbent mandate which is a liquid low duration alternative to core fixed income. Given the current outlook for traditional and non-traditional fixed income asset valuations, the North Dakota Land Board is additionally seeking a

higher expected return objective than their current Enhanced Securitized LIBOR mandate managed by Schroders provides, which the Opportunistic Multi-Sector product achieves. With interest rates at historic low levels and with continued monetary policy support by global central banks anticipated into 2023, opportunistically rotating into less constrained opportunistic securitized which offers increased sources of alpha without taking on additional duration risk could prove advantageous for the Fund.

As our manager search unveiled and is referenced in Appendix 3 – Comparative Performance Analysis, historical 5, 7, and 10-year annualized returns added incremental value of +290, +324, and +394 basis points, respectively, by moving out the risk spectrum into the Schroder Opportunistic Multi-Sector strategy. While units of risk, as measured by standard deviation, only modestly increased by 1.4%, 1.3%, and 1.9% for the same time periods stated above.

Manager Search Process

RVK and Staff continue to have high conviction in the incumbent manager's ability to identify compelling investments within both core and non-core securitized offerings. Nonetheless, to ensure a competitive comparison, several top-tier external managers were selected to compete with the incumbent for the proposed Opportunistic Securitized mandate. The RVK Investment Manager Research team maintains working relationships with many institutional-quality fixed income asset managers. Leveraging this knowledge and experience, the fixed income research team built an initial list of what RVK considers best in class asset managers out of 54 products within the eVestment US Securitized – Non-Traditional peer group, who possess the experience, scale, and scope necessary to oversee such a mandate. Based on these criteria, the initial list of candidates included two new securitized managers which represent additional RVK best ideas within the space, in addition to the incumbent manager, for a total of three candidates.

RVK conducted a detailed review of the characteristics of these three strategies, including an evaluation of their respective assets under management, performance (absolute and risk adjusted, using both trailing and rolling time periods), fees, firm structure, team stability, and investment philosophy and process. Subsequently, RVK and Staff invited the two competitive non-incumbent candidates to participate in virtual interviews on March 15th and March 18th, 2021. Participants from the asset manager's side included the respective head or heads of Securitized Asset Trading and Securitized Research who would also operate as the lead portfolio manager for each firm's proposed Securitized strategy.

Following the two interviews, RVK and Staff discussed and re-ranked the strategies based on the following criteria: product assets under management, longevity of the strategy, performance track record, experience of the investment team, performance attribution, and fees. Based on these



areas of focus, both RVK and Staff believe that the Land Board’s incumbent manager remains the most appropriate and highest conviction offering available. As a result, RVK and Staff held a detailed dialogue with Schroders to further evaluate and vet the Opportunistic Multi-Sector non-core securitized product. Prior to the discussion, RVK and Staff also compared Schroder’s proposed non-core offering against both the current LIBOR benchmarked mandate and an alternative non-LIBOR core strategy, in order to ensure all viable options had been explored. It was found that the proposed opportunistic mandate proved to be competitive across both a wide range of rolling time periods and long dated risk/return profiles.

Fee Comparison

The initial fee proposals submitted by the three managers are shown below.

Manager	Management Fee*
Manager 1	0.63%
Manager 2	0.44%
Schroder (Incumbent Mandate)	0.35%
Schroder (Proposed Mandate)	0.50%

** Fee calculated based on a \$200 million mandate size*

As mentioned above, following the interviews it was determined that the incumbent manager ranked well against the other two best-in-class securitized managers reviewed as finalist candidates by RVK. As such, RVK and Staff engaged with Schroders to determine the most appropriate vehicle by which to access the Opportunistic Multi-Sector Securitized mandate, currently offered as a Separate Account. Schroders introduced an attractive opportunity for North Dakota to seed a Limited Partnership (LP) commingled vehicle. As incentive for North Dakota seeding the vehicle, Schroders offered an all-in day 1 fee of 50 basis points. This one-day pricing essentially isolates or excludes the Land Board from costly operating expenses that can easily exceed 25-30 basis points annually, especially as the fund is structured. As further incentive, if North Dakota’s contributed assets reach a threshold of \$350M, the total fee charged to North Dakota will decrease to a flat rate of 45 basis points. The negotiated all-in fee offered to North Dakota represents a 25-basis point discount from the standard Opportunistic Multi-Sector product separate account fee of 0.75%. To provide further context, the median fee for a \$200 million Non-Traditional Securitized commingled fixed income mandate is approximately 50 basis points based on a universe of 36 firms and 54 products tracked by RVK.

RVK considers the proposed incumbent manager’s fees to be competitive within the space given



the allocation profile and return target.

Supplemental Information

Attached are: (1) RVK's Search Process Screening Criteria, (2) The Schroder Opportunistic Multi-Sector Strategy Summary, and (3) RVK's Comparative Performance Analysis.

Appendix 1: RVK Search Process Screening Criteria

Organization

- Appropriate government registration
- Appropriate succession plans
- Stable ownership structure, employee ownership
- Pending, threatened, or historical legal action against the firm or employees
- Other lines of unaffiliated business
- Adequate compliance procedures and oversight

Professional Staff

- Size and tenure of the investment team
- Investment team turnover
- Compensation aligned with long-term performance

Investment Philosophy/Process

- Reasonable and repeatable investment philosophy given manager description
- Historical attribution matching performance expectations set by the firm
- Evaluation of risk constraints and portfolio guidelines
- Unique features of the investment process
- Changes to the process
- Trading

Performance

- Consistency
- Absolute and risk-adjusted
- Full cycle evaluations
- Upside/downside performance

Risk Management/Operations

- Dedicated risk oversight
- Adequate systems
- Adequate budget and staff
- Disaster recovery/business continuity

Fees

- Relative to other respondents



Appendix 2: Schroder Opportunistic Multi-Sector

Firm

Globally headquartered in London, England with domestic headquarters in New York, New York, Schroders was formed in 1804 and is a global firm consisting of over 200 legal entities operating in 37 countries. Today, Schroders is one of the largest asset managers listed on the London Stock Exchange with \$785 billion in AUM as of December 31, 2020 and of these assets, over \$100 billion are based in the United States. The Schroder family today continues to hold 48% ownership in the equity of the firm. Schroders offers strategies across equities, fixed income, multi-asset, and alternatives.

Team

The Schroders Securitized Credit team has been managing securitized credit for nearly 25 years across a range of strategies, from investment grade to opportunistic securitized. Originally a part of Hyperion capital, founded by Lewis Ranieri, Schroders eventually purchased the then Hyperion-Brookfield team in 2016, bringing over all Hyperion-Brookfield client relationships. Today the Securitized Credit team of 15 is led by Michelle Russell-Dowe and follows a team-based and research-led approach. Teams are organized into a strategy execution framework, with a Low Duration team, a Benchmark Relative team, and an Opportunistic team. The Opportunistic team consists of six members with an average of 26 years relevant experience. All teams are headed by Michelle Russell-Dowe.

Team members are also organized into research teams with focuses across the securitized space including US CMBS, RMBS, Global ABS, and Global CLOs, among others. Schroders believes the team's research expertise and focus on relative value drives best idea selection within the space.

Michelle Russell-Dowe
Head of Securitized Credit, Lead PM

Team Based, Strategy Execution Framework

Low Duration	Benchmark Relative	Opportunistic
Anthony Breaks Chris Ames Robert Graham Adam Pinkerton Bridget Hu	Anthony Breaks Eric Richter Robert Graham Adam Pinkerton Bridget Hu	Chris Ames Anthony Breaks Jeff Williams Paul Bratten Alyse Kelly Bridget Hu
Strategy based teams lend to relative value approach and understanding of client objective		

Research Focus

US CRE/Global CMBS	RMBS	Global ABS/Asset-finance	Global CLO	Quantitative Research	Systems Development
Jeff Williams ¹ Paul Bratten ² Robert Graham ¹	Michelle Russell-Dowe ¹ Anthony Breaks ¹ Adam Pinkerton Bridget Hu ² Eric Richter ¹	Michelle Russell-Dowe ¹ Anthony Breaks ¹ Chris Ames ¹ Bridget Hu ² Adam Pinkerton	Anthony Breaks ¹ Alyse Kelly Bridget Hu ²	Liyun Ma Yusi Xie ²	Sagar Regmi

Source: Schroders

Investment Process

The Schroders Securitized Credit team focuses on areas where the team believes they hold a competitive advantage, and with over \$15 billion in committed capital are a large manager in the securitized space. Where the incumbent Schroder mandate targets investment grade only, ABS, MBS, CMBS, CLO, US, and Non-US securitized, the Opportunistic Multi-Sector strategy targets unconstrained ABS, MBS, CMBS, CLO and secured financings (loans and/or leases) with the objectives of opportunistic income and positioning as a corporate credit or high yield alternative. The Opportunistic Multi-Sector strategy does not employ leverage and targets a return of cash+400-500 basis points over a market cycle, with exposure to less liquid portions of the asset backed market, in addition to lower quality and more opportunistic regions of the mortgage back and asset backed market. The team approach starts with a top-down examination of fundamental and technical factors. The team then performs bottom up analysis with detailed risk profiling; grouping securities by liquidity, volatility, and structural leverage profiles and incorporating in-depth quantitative assessment and modeling of each bond over various scenarios. The team also performs a qualitative assessment of counterparty, servicer capabilities, and risk, among other key factors.



At the start of the investment process Schrodgers identifies the fundamental and technical factors that drive performance for the overall securitized market as well as specific sectors by assessing regulation, access to credit, interest rates, prepayment trends, and delinquency rates. The Schrodgers fixed income and economic research teams can also be leveraged to provide additional insights. Once Schrodgers identifies their inputs for evaluating credit cycles, asset prices, and interest rates the team uses proprietary models for sensitivity analysis. This process seeks to identify risk profiles that represent areas of opportunity that are consistent with Schrodgers' view of the market.

The team will also monitor each securities cash flow and capital structure to identify areas of weakness. Schrodgers believes a thorough understanding of collateral cash flow and structure can drive returns over the long term. Additionally, they will compile information on loan originators and servicers believing that the specific tendencies of the originator and servicer can create differences in performance for bonds with otherwise similar collateral.

The teams research-led evaluation of the investment environment, as described above, is used to determine target levels of risk in the strategy. Portfolio construction then incorporates relative value decisions and looks at risk across liquidity, credit, volatility, and duration. Portfolios are then constructed based on asset valuation, client risk tolerance, and liquidity requirements. Using this framework, the team will select the preferred asset class and sector exposures as well as preferred collateral types and counterparty exposures. Purchases and sales are discussed among the team until a consensus is reached so that the team understands the reasoning behind each transaction and each team member can incorporate the reasoning into their decision making. Each portfolio manager on the investment team also conducts their own trading, which is in line with Schrodgers "team-based" approach.

The overall philosophy of the Schrodgers Securitized Credit team centers around operating in data rich sectors where they believe opportunity can be accurately assessed, deploying capital into inefficient markets, understanding credit cycles, and capitalizing on cyclical opportunities.

Appendix 3: Comparative Performance Analysis:

Image 1: Comparative Performance

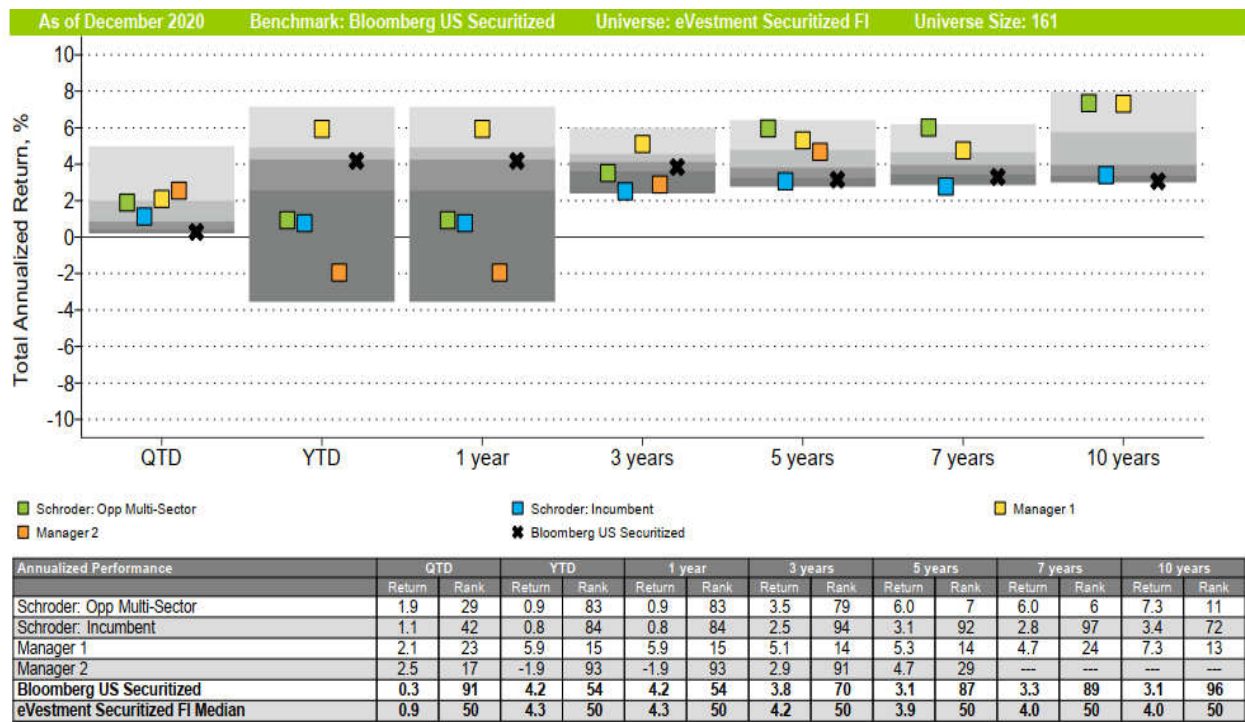
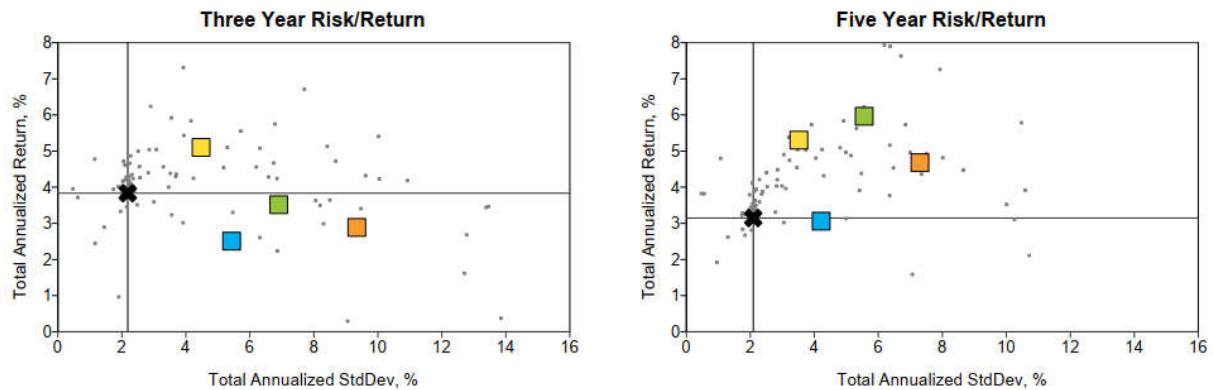


Image 2: Three and Five-Year Risk/Return

As of December 2020 Benchmark: Bloomberg US Securitized Universe: eVestment Securitized FI Universe Size: 161



■ eVestment Securitized FI ■ Schroder: Opp Multi-Sector
■ Manager 1 ■ Manager 2

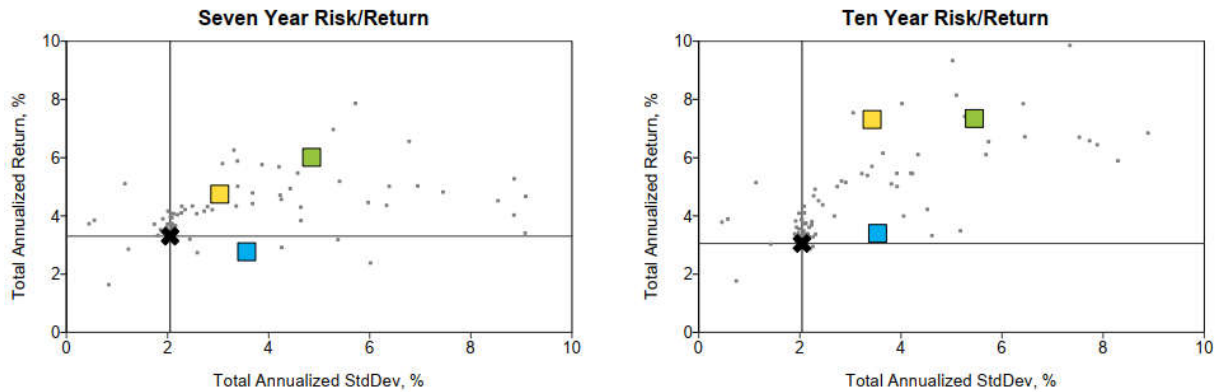
■ Schroder: Incumbent
★ Bloomberg US Securitized

	Annualized Return	Annualized Std. Dev.
Schroder: Opp Multi-Sector	3.51	6.90
Schroder: Incumbent	2.51	5.43
Manager 1	5.10	4.48
Manager 2	2.99	9.34
Bloomberg US Securitized	3.84	2.18
eVestment Securitized FI Median	4.16	3.07

	Annualized Return	Annualized Std. Dev.
Schroder: Opp Multi-Sector	5.96	5.56
Schroder: Incumbent	3.06	4.21
Manager 1	5.30	3.51
Manager 2	4.68	7.30
Bloomberg US Securitized	3.15	2.09
eVestment Securitized FI Median	3.86	2.80

Image 3: Seven and Ten-Year Risk/Return

As of December 2020 Benchmark: Bloomberg US Securitized Universe: eVestment Securitized FI Universe Size: 161



■ eVestment Securitized FI ■ Schroder: Opp Multi-Sector ■ Schroder: Incumbent
■ Manager 1 ■ Manager 2 ✱ Bloomberg US Securitized

	Annualized Return	Annualized Std. Dev.
Schroder: Opp Multi-Sector	6.01	4.85
Schroder: Incumbent	2.77	3.57
Manager 1	4.75	3.03
Manager 2	---	---
Bloomberg US Securitized	3.30	2.05
eVestment Securitized FI Median	4.00	2.39

	Annualized Return	Annualized Std. Dev.
Schroder: Opp Multi-Sector	7.34	5.45
Schroder: Incumbent	3.40	3.54
Manager 1	7.31	3.43
Manager 2	---	---
Bloomberg US Securitized	3.06	2.04
eVestment Securitized FI Median	4.00	2.30



Schroder Securitized Credit

Presentation to North Dakota Board of University and School Lands

Presenter: Michelle Russell-Dowe, Head of Securitized Credit
As of February 2021, unless otherwise noted

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circumstances.

Schroders Securitized Credit Platform

Experienced, proven team with a long history together through cycles

Pioneer and founder of the securitized credit markets:

1988 - Hyperion Capital, formed by **Lewis Ranieri**, father of the securitized credit market. Buyers of the first non-agency MBS b-piece and one of the first b-piece buyers in the CMBS market.

2005 - Business bought by **Brookfield Asset Management** forming Hyperion-Brookfield.

2016 - Business acquired by Schroders, retaining all client relationships including Brookfield sub-advisory.

2018 - Acquired an interest in **A10 Capital**, a US direct real estate originator and servicer.

2020 - Loan acquisition agreement with Lionheart, an affiliate of **Fisher Brothers**, a 100+ year old owner/operator of US real estate.

First offering by strategy:



Source: Schroders, as at March 2021. Past performance is no guarantee of future results.

Experienced team

Managing securitized strategies since the inception of the non-agency market.

Team of 16 led by Michelle Russell-Dowe:



Michelle Russell-Dowe



Anthony Breaks



Jeffrey Williams



Christopher Ames



Nicholas Pont

Over \$15 billion in AUM

Across a range of strategies and bespoke solutions in fund structures and segregated mandates.

Strategies cover a range from securitized index to private credit

Securitization is term financing of debt contracts. We have a broad investment tool kit, allowing incorporation of the full range of senior and subordinate securities, short-term and longer-term financing, risk transfer and direct lending on assets.

Flexible best ideas within a proprietary framework

Proven process incorporating proprietary models, data and analytics built to address the opportunities and mitigate risks of higher income securities in an ESG framework.

Securitized product continuum: fixed income to private credit

	Securitized Index Alternative	Securitized Credit/ Low duration	Securitized Credit Plus/ Low duration	Opportunistic	Private Credit	CML - CRE whole loans (Insurance solution - flow product)
Strategy name	Securitized (Liquids)	Securitized Credit (IG)	Securitized Credit Plus (Unconstrained)	Opportunistic Multi-Sector Securitized	Opportunistic Credit Funds	Real estate loans
Key objectives	Alternative to Barclays Securitized Index in Agg/Global Agg.	Income and diversification versus corporate credit	Income and diversification versus corporate credit	Opportunistic income, corporate credit/HY alternative	Dislocation/ inefficient market opportunities fund	Benefit from illiquidity premium in lower leverage loans
Income	✓	✓	✓	✓	✓	✓
Diversification	✓	✓	✓	✓	✓	✓
Capital appreciation			✓	✓	✓	
Rate protection		✓	✓	✓	✓	✓
ESG	✓	✓	✓	✓	✓	✓
Benchmark(s)	Bloomberg Barclays Securitized Index	Cash or ABS/CMBS index	Cash or ABS/CMBS index	Cash or Leveraged Loan Index	None	None
Rules	Investment grade only. ABS, MBS, CMBS, CLO, US and non-US	Investment grade only. ABS, MBS, CMBS, CLO, US and non-US	Unconstrained ABS, MBS, CMBS, CLO, REIT, securities only	Unconstrained ABS, MBS, CMBS, CLO and secured financings (loans/leases)	Unconstrained Securitized & related assets/credit, public or private	CRE mortgage loans Stabilized & transitional
Return targets	75-100bps over Agency Index	Cycle target return Cash +2%/ outperform ABS/CMBS Index	Cycle target return Cash+ 3.5% or 150bps over the ABS/CMBS index	Cycle Target return cash+400-500 or outperform LL Index	12%-15%	Corporate single -A & HY
Leverage-Financial	No	No	No	No	Yes	No
Seg offered/ min	Yes/\$100mm	Yes/\$100mm	Yes/\$150mm	Yes/ \$200mm	No	Yes/\$300mm
Liquidity	Daily (T+2)	Daily (T+3)	Daily (T+4)/ fortnightly	Quarterly	None (income may be distributed)	None (income distributed)
Fees/Lock-up	30bps / none	35bps / none	50bps / none	75bps / varies	75 bps / 5 years (+Carried interest)	40bps/75bps
Vehicles	None	UCITS - SISF Securitized Credit (SIZL)	UCITS - SISF Alternative Securitized Income (SASI)	Schroder Opportunistic Secured Income Fund (SOSI) Bermuda offshore for UK pension (GBP) Flexible Secured Income (FLEXSI) Delaware L.P./Cayman offshore	FOCUS II - \$1.5 bn Final Close October 2020 Delaware, LP/Cayman offshore	LOFI, final close Oct 2018, fully invested 2019 Delaware, LP/Cayman offshore

*Includes delegated AUM managed on behalf of Schroders funds globally. Source: Schroders as of March 2021. There can be no guarantee that any investor objective or outcome will be achieved. UCITS fund is Schroder International Selection Fund which is referred to as Schroder ISF. Schroder ISF is not available to US investors. For illustrative purposes, intended only to demonstrate the depth and breadth of the Team's investment capabilities. Capital preservation and protection references do not reflect an absolute guarantee against capital loss.

Securitized Credit is a flexible income alternative

Outcomes benefit from flexible asset classes offering return and diversification

- Securitization is the marriage of private assets and financial tools to create securities
- Flexibility of the combination creates a wide range of solutions
- The range of private debt, private securities and public securities across sectors and geographies creates opportunity for
 - Return
 - Risk mitigation (rates and credit)
 - Diversification
- Securitized is an alternative to traditional “core” allocations like intermediate corporate credit, or to “plus” allocations like high yield, leveraged loans or emerging markets
- The natural barriers to entry and more limited government support make this an asset class that still offers additional return and income

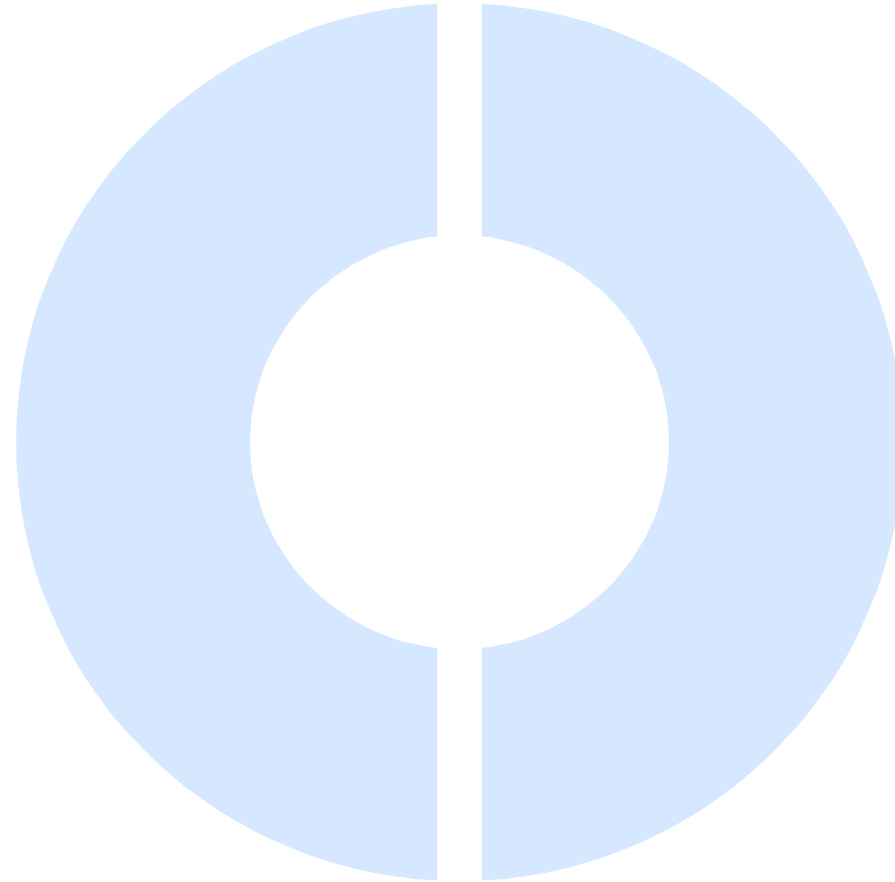
Source: Schroders. The views and opinions are those of the Schroders Securitized Credit Team and are subject to change. There can be no guarantee that any investment objectives or outcomes will be achieved. Diversification cannot ensure a profit or protect against loss of principal.

Investing across the credit universe, returns are low, low, low

Is the compensation fair for the type/level of risk we are taking?

		Securitized Credit						US Fixed Income				"Plus Sectors"		Equity	
Sector	Global ABS/MBS	US Agency MBS	US CMBS	US ABS	US CLO	BBB US CMBS	US BBB CLO	US Fixed Income	US Treasuries	US 1 - 5 yr. Corp. Bond	US IG Credit	US High Yield	US Leverage Loans	EM Debt	US Equity
Index	Composite (L+500)	US MBS Index	US CMBS Index	US Asset Backed Securities Index	CLO Index	BBB US CMBS Index	CLO BBB Index	US Aggregate Index	US Treasury Index	1 - 5 yr. Corporate Index	US Corporate Index	US Corporate High Yield Index	Leveraged Loan Index	EM USD Aggregate Index	S&P 500
Duration (yrs)	0.42	3.18	4.71	1.78	0.25	4.76	0.25	6.17	6.83	2.71	8.47	4.01	0.25	6.58	
Credit quality	BBB-	AAA	AAA	AA+	AA	BBB	BBB	AA	AAA	BBB+	A-	B+	B	BBB-	
YTM (%)	4.78%	1.62	1.78	1.01	3.72	4.67	4.49	1.42	0.84	0.81	2.05	4.93	3.66	3.73	1.52
1Y volatility	12.22%	1.44%	6.25%	4.66%	10.51%	21.80%	26.15%	3.40%	4.26%	5.38%	10.87%	15.22%	15.42%	13.75%	23.73%
3Y volatility	6.91%	2.03%	4.40%	2.71%	6.03%	12.56%	15.13%	3.42%	4.39%	3.25%	6.99%	9.48%	9.16%	8.39%	18.45%

Source: Schroders and Bloomberg as of February 28, 2021. For illustration only. Duration, credit quality and performance may differ across representative accounts within any composite. Yields are subject to fluctuate over time. Past performance is no guarantee of future results.



Strategy details

Schroder Opportunistic Multi-Sector Securitized

A diversifying alternative for return seeking investors

A flexible, global, best ideas approach

Diversification means more risks, not more risk

- ✓ Combine large, liquid, primary and secondary markets, as well as more unique public or private markets to optimize exposures across four pillars: **Fast Liquidity, Carry, Opportunity and Recovery**
- ✓ Securitized credit is a large, diverse universe of tools
- ✓ Access to diverse sectors, allowing us to emphasize sectors with fundamentals we like with the protection we require
- ✓ Choose the asset and the form of access that offers the best risk/reward
- ✓ Access diversified risk premia (credit risk premium, illiquidity premium, prepayment risk premium, complexity premium, term premium)
- ✓ An alternative to the aggregate index, to corporate credit risk, to high yield corporate risk, or to hedge funds/alternatives

We have a long history of successfully identifying opportunity and accessing across a spectrum

Source: Schroders. The views and opinions are those of the Securitized Credit Team and are subject to change. There can be no guarantee that any investment objectives or outcomes will be achieved.

Current mandate - Enhanced Securitized LIBOR

Securitized Credit IG Low Duration

- A low duration strategy, 0-3 years, that seeks 200 bps p.a. over short rates through a cycle
- Not tethered to a securitized index, pure relative value in IG securitized
- Diversifier to corporate credit
- Not a securitized index strategy – Agency MBS not required
- **Guidelines**
 - IG average
 - Max 20% below IG
 - 0-3 years duration
 - Max sub-sector exposure 25%

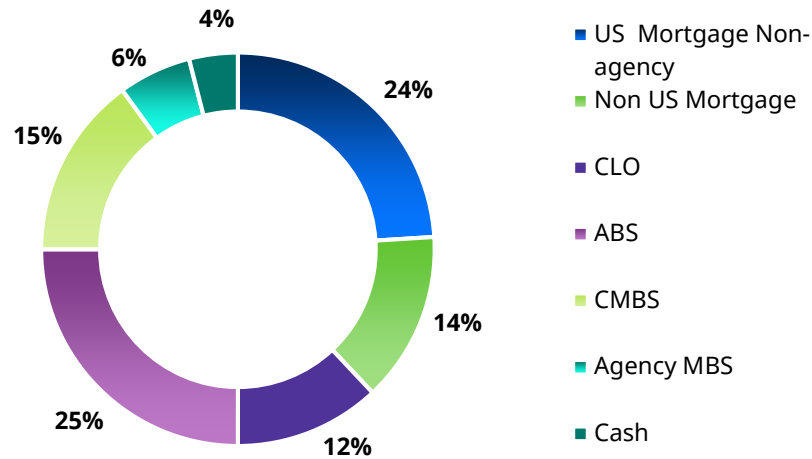
Transition and details

Moving from current to opportunistic fund

- As our approach is a continuum, even in the IG strategy, about 45% of the current portfolio (55 million USD) is securities that would be consistent with the opportunistic strategy.
- With an amendment of guidelines, we can reposition the higher grade, carry-oriented securities into securities in line with the opportunistic strategy's higher income objectives.
 - The principal interim guideline modification is removing rating constraints
 - Once the L.P is launched, private investments subject to legal agreements, securities with transfer restrictions, and certain Regulation S investments will be added
- The portfolio transition will reduce the time to deployment in the fund
 - Transition and re-positioning begun immediately
 - No delayed capital calls
 - No liquidation and cash drag
 - Securities investments held while the private pipeline is managed
- North Dakota custom fee agreement.

Enhanced Securitized portfolio vs. FLEXSI target portfolio

Current portfolio sector exposure

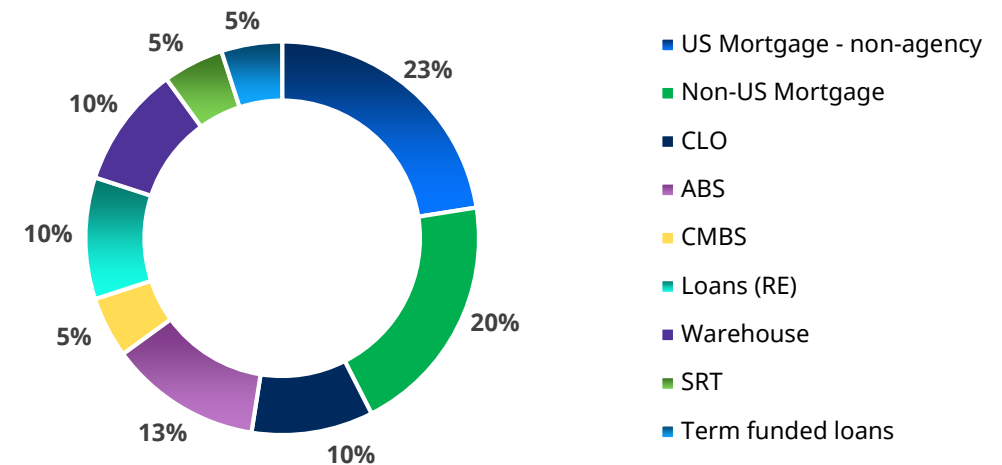


A low duration, diversified, liquid investment grade exposure

Current portfolio characteristics

Yield	2.0%
Weighted Average Life	3.0 yrs
Duration	0.75 yrs
Average Credit Quality	A+
Average position Size	0.70%

FLEXSI target sector exposure



A low duration, best ideas, opportunistic strategy

FLEXSI target characteristics

Yield	5.2%
Weighted Average Life	3.6 yrs
Duration	0.40 yrs
Average quality	BB
Average position size	1.5%

Source: Schroders. References to these portfolio allocations are for illustrative purposes only and are not a recommendation to buy and/or sell. These portfolio allocations are examples and may be different to the actual portfolio of any fund launched. The actual portfolio allocations will only be determined upon inception of the fund and may have different characteristics and allocations compared to what is presented above. Credit allocation and average credit quality reflect the higher of S&P, Moody's, and Fitch, excluding loans. Past performance is no guarantee of future results.

Schroders Securitized Credit

Spanning alternative fixed income to private debt

Objectives



Attractive risk adjusted income/return



Low sensitivity to interest rates/low volatility



Opportunity/growth and capture inefficiency/recovery

Benefits



Diversification from traditional asset classes



Flexible range of solutions to adapt to a market/cycle



Access to differentiated sectors: real-estate, consumer, corporate, and housing

Credit cycle intelligence

- ✓ Wide range of underlying assets creates opportunity to benefit from asynchronous asset cycles. We can emphasize specific **fundamentals** as opportunities develop
- ✓ Use **structure** to enhance return potential or create a level of downside protection by moving between loans and private or public securities
- ✓ Earn alpha in inefficient sectors as **valuations** appreciate with a recovery in assets and securities

Source: Schroders. The opinions stated in this document are those of the Schroders Securitized Credit team and are subject to change. There can be no guarantee that any investment objectives or outcomes will be achieved.

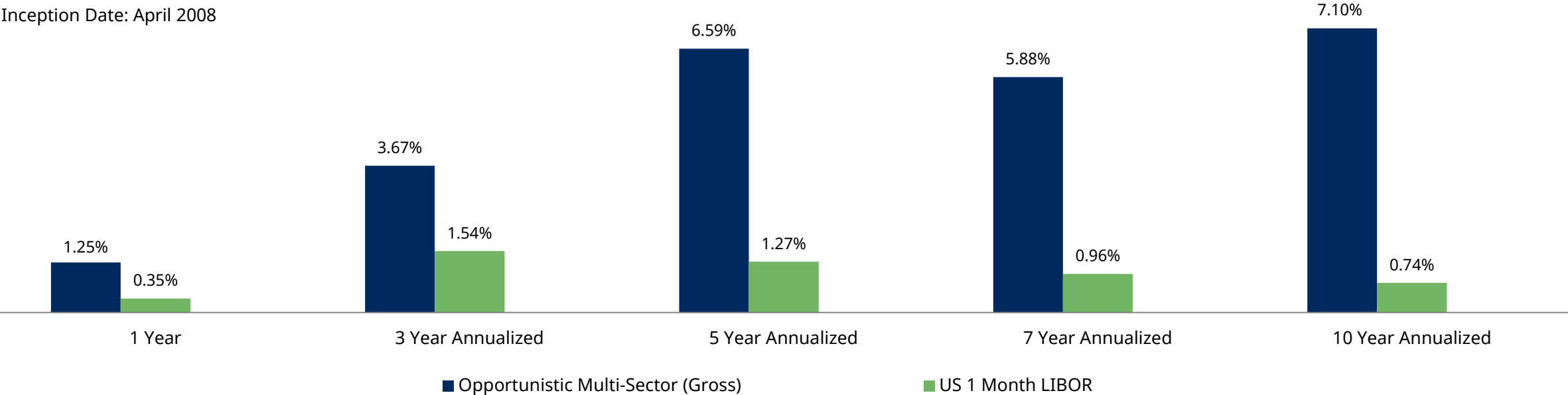
Flexible Secured Income

Schroder Opportunistic Multi-Sector Securitized Composite

- Cycle return target: Cash +500 bps per annum
- Debt-backed by housing, real estate and the consumer - global ABS, MBS, CMBS and CLO
- Low duration

Composite performance as of February 2021

Inception Date: April 2008

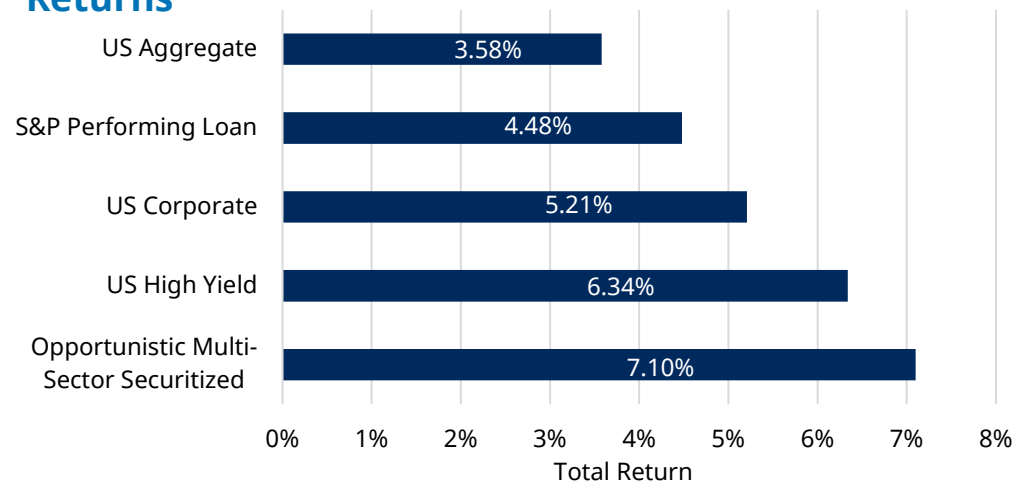


Source: Schroders. Refers to the Opportunistic Multi-Sector Securitized Composite. Returns are annualized. *There can be no guarantee that any investor objectives or outcomes will be achieved. Gross performance results for the universe do not reflect the deduction of advisory fees, brokerage or other commissions and other expenses a client would have paid and returns will be reduced accordingly. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. Performance shown is past performance which is not a guide to future returns and may not be repeated. Please refer to the Important Information section at the end of the presentation for additional disclosures. Page 114

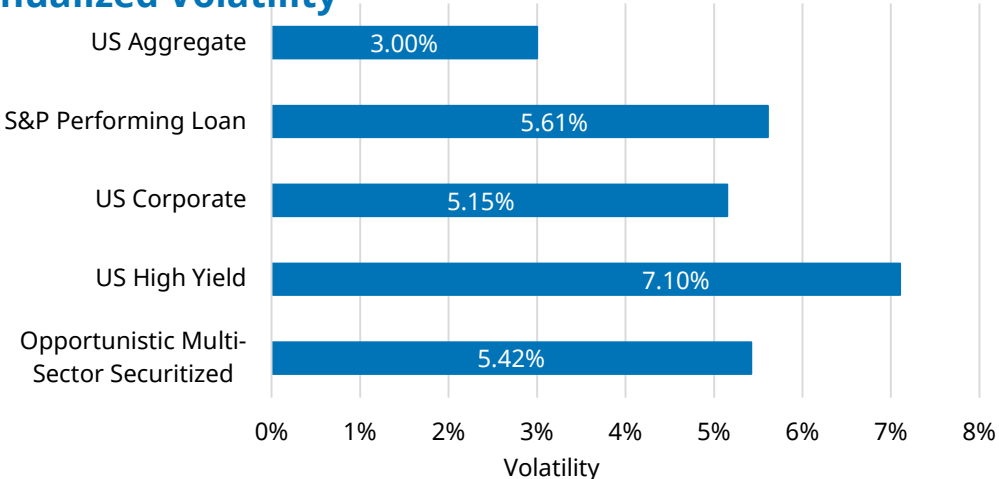
10-year returns and return correlation matrix

As of February 2021

Returns



Annualized Volatility



Correlation matrix

Correlation Matrix	Opportunistic Multi-Sector Securitized (Gross)	S&P/LSTA Leveraged Performing Loan Index	ICE BofA US High Yield Index	Bloomberg Barclays US Corporate Unhedged USD	Bloomberg Barclays US Aggregate Unhedged USD
Opportunistic Multi-Sector Securitized (Gross)	1.00	0.73	0.63	0.49	0.12
S&P/LSTA Leveraged Performing Loan Index	0.73	1.00	0.85	0.55	0.04
ICE BofA US High Yield Index	0.63	0.85	1.00	0.65	0.20
Bloomberg Barclays US Corporate Unhedged USD	0.49	0.55	0.65	1.00	0.81
Bloomberg Barclays US Aggregate Unhedged USD	0.12	0.04	0.20	0.81	1.00

Source: Bloomberg, BAML, Schroders. Past performance is no guarantee of future results.

Summary offering terms for the fund

Fund Name	Schroder Flexible Securitized Income (FLEXSI)
Investment Objective	The Fund seeks to generate income and capital appreciation, with low exposure to interest rates
Potential Investments	<ul style="list-style-type: none"> – ABS, MBS, CMBS, CLO: senior, junior and residual interests – Risk transfer or capital relief transactions – Debt secured by assets/receivables – Other secured financing or asset-based lending / securities
Management, perf fees	65bps 50bps, founders class / day 1
Minimum Investment	\$10 million
Fund Term / Liquidity	Open-end. Monthly subscription, quarterly redemptions, 60-days notice. Investor protections: Early redemption charge, 5% paid to the fund, gates on larger redemptions Soft lock TBD
Use of Leverage	No leverage
Timing	Fund launch: expected June, 2021
Structure	Master/Feeder, Delaware/Cayman LP. ERISA limited to 25%

Source: Schroders. Guidelines are subject to change. Not intended as an offer or solicitation for the purchase or sale of any financial instrument. There can be no guarantee that any investment objectives will be achieved. The investment terms and service providers noted herein are superseded by the terms and service providers noted in the Schroder FLEXSI Offering Documents. Offering Documents contain material information about the investment objective and the terms and conditions of an investment in the Schroder FLEXSI Fund as well as other relevant information, including important investment risk factors. Offering Documents should be reviewed prior to investing in the Fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Please refer to the appendix for definitions of terms used in the presentation.

Your investment partner in numbers

Growing in scale and impact

\$649.6bn
assets under management

5,500+
employees globally

Staying close to our clients' investments

42 teams in

34 countries

37 locations

Motivating an engaged and stable workforce

94%
retention of high-performing employees

91%
of employees are proud to work at Schroders*

A strong focus on diversity

41%
of our global workforce is diverse



Schroder Opportunistic Multi-Sector Securitized Composite

Composite disclosures as of: December 31, 2019

Definition of the Firm

The Firm is defined as all accounts managed by Schroder Investment Management in the US, UK, Switzerland, Singapore, Hong Kong, Japan and Australia by wholly owned subsidiaries of Schroders PLC. Accounts managed by Schroders Adveq are excluded, Schroders Adveq claims compliance separately. Assets managed against a liability driven mandate or invested in direct property are excluded from the GIPS Firm. Advisory portfolios signed to Schroders Investment Management Hong Kong (SIMHK) are also excluded from the GIPS Firm. On January 1, 2017, the Schroders Investment Management GIPS Firm ("the Firm") was formed following the merger of independent regional Schroders Investment Management (SIM) GIPS Firms defined based predominantly on location of the investment desk and held out to clients or prospective clients as the following distinct firms: combined London/New York/Zurich (SIMUK/US & SIMSAG respectively), Singapore (SIMSL), Hong Kong (SIMHK), Australia (SIMAL) and Japan (SIMJP). These Firms were merged as a result of the increasingly global nature of the business, details of previous firm mergers are available upon request.

Composite Definition

Accounts included in the Schroder Opportunistic Multi-Sector Securitized Composite (the "Composite") seek to achieve returns above USD LIBOR or an equivalent benchmark by providing capital growth and income primarily through investment in securitized assets such as asset-backed securities, mortgage-backed securities and related loans. The accounts may substantially invest in below investment grade securities. In May 2017, the name of the composite changed from SIMNA Opportunistic Multi-Sector MBS Composite to SIMNA Opportunistic Multi-Sector Securitized Composite. This change does not affect the composite history or the investment strategy.

Composite Construction

The composite returns include all of the Firm's separate accounts and commingled funds which are discretionary, fee paying, tax exempt, and managed as described above. New accounts are included in the composite one full month after inception date to ensure the account has been fully invested. Terminated accounts are excluded from the composite at the end of the previous month. The Composite has no minimum asset level. The composite's creation date is October 31, 2016. The composite's start date is March 31, 2008.

Performance Calculation

Composite returns are presented as gross returns, including cash, reinvestment of dividends, interest and other income earned in the period and are calculated on a trade date basis after transaction charges (brokerage commissions). Each account's investment performance rate of return is calculated monthly in accordance with the 'time-weighted' rate of return method (Modified Dietz). Additional information regarding policies for valuing portfolios, calculating and reporting returns is available upon request. The Currency of the Composite is USD. Withholding Tax treatment may vary from portfolio to portfolio within this composite. Performance results can be presented both net of fees and/or gross of fees. "Net of fees" performance results are net of management fee. Clients with accounts in the composite incur other expenses in connection with their accounts such as custody fees and other costs. Net returns have been calculated based upon the highest fee rate charged to each account in the composite.

Fee Schedule

Returns are net of trading expenses but gross of custody fees and other costs. Net of fees returns have been calculated based upon the following schedules: Inception to December 31, 2012: gross returns have been reduced by a model fee rate of 75 bps. From January 1, 2013 to April 30, 2017: asset weighted actual net returns for the underlying accounts. From April 30, 2017: gross returns have been reduced by a model fee rate of 75 bps. Net returns have been calculated using a model fee which has been applied geometrically on a monthly basis.

Dispersion

The dispersion of annual returns is measured by the asset weighted standard deviation of portfolio returns represented within the composite for the full year provided a minimum of 5 portfolios are available.

Leverage

None of the accounts in the Composite use leverage.

GIPS Compliance and Verification

Schroder Investment Management ("the Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 1996 to December 31, 2019. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of descriptions for composites and limited distribution pooled funds is available upon request. A list of broad distribution pooled funds is also available. Additional information regarding policies for calculating and reporting returns is available upon request.

Additional Information

The exchange rates used are provided by WM. Each currency is valued at 4 pm on the last business day of the month. Additional information regarding policies for valuing portfolios, calculating and reporting returns and a description of all composites are available on request.

Risk Statistics Unavailability

Standard Deviations for composite and its benchmark that have not been active or in existence for 3 years or more are not provided in the presentation.

Schroder Opportunistic Multi-Sector Securitized Composite

Composite disclosures as of: December 31, 2019

Benchmark: 1 Month US LIBOR
 Currency: USD
 Returns as of: Dec-31-2019
 Inception Date: Mar-31-2008

Year	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	3 Year Composite Risk (%) ¹	3 Year Primary Benchmark Risk (%) ¹	Number of Portfolios (throughout period)	Account Dispersion (%) ²	Market Value at end of Period	Average Account Value at end of Period	Percentage of Firm Assets (%)	Total Firm Assets ⁴
2019	5.25	4.47	2.28	1.42	0.16	< 5	N/A	1,743,457,539.00	435,864,384.75	0.36	487,332,595,542.30
2018	4.41	3.63	2.07	2.07	0.20	< 5	N/A	1,400,372,360.00	700,186,180.00	0.36	384,803,377,261.21
2017	12.05	11.39	1.13	2.09	0.12	< 5	N/A	1,289,083,340.00	644,541,670.00	0.28	455,112,000,742.08
2016	7.49	7.15	0.49	2.50	0.05	< 5	N/A	1,151,760,432.00	575,880,216.00	0.38	302,127,480,638.57
2015	2.48	2.15	0.20	4.49	0.01	< 5	N/A	1,072,535,954.10	536,267,977.05	6.39	16,795,000,000.00
2014	9.94	8.87	0.16	5.58	0.01	< 5	N/A	924,656,268.53	462,328,134.27	5.14	18,006,000,000.00
2013	10.61	9.56	0.19	6.65	0.01	< 5	N/A	784,384,074.19	392,192,037.10	3.84	20,416,000,000.00
2012	29.14	28.18	0.24	6.43	0.01	< 5	N/A	690,721,459.39	345,360,729.70	4.16	16,623,000,000.00
2011	-5.51	-6.21	0.24	8.09	0.02	< 5	N/A	460,404,373.70	230,202,186.85	2.19	20,980,000,000.00
2010	21.44	20.54	0.28	N/A	N/A	< 5	N/A	871,479,233.80	290,493,077.93	3.94	22,112,000,000.00
2009	19.89	19.00	0.34	N/A	N/A	5 (4)	N/A	990,588,773.60	198,117,754.72	4.12	24,054,000,000.00
Q2 08 to end Q4 08	-20.89	-21.33	1.89	N/A	N/A	< 5	N/A	556,465,304.90	139,116,326.23		

As of Dec-2019	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	Composite Risk (%) ¹	Primary Benchmark Risk (%) ¹
Annualized 3 Year	7.18	6.44	1.83	1.42	0.16
Annualized 5 Year	6.29	5.71	1.23	1.75	0.25
Annualized 7 Year	7.41	6.70	0.93	3.23	0.25
Annualized 10 Year	9.35	8.60	0.72	4.48	0.23
Annualized S.I. ³	7.42	6.67	0.81	7.92	0.25

Past performance is not indicative of future results.

1. Annualized standard deviation of gross monthly returns for the composite and monthly returns for the benchmark. N/A for periods with less than 36 months of available returns.
2. Asset weighted standard deviation of annual gross returns of accounts that have been in the composite for the entire year. Part periods are not annualized.
3. Since Inception March 31, 2008.
4. Since December 31, 2003 Total Firm Assets include non-fee paying accounts. 2003 Total Firm Assets value has been restated due to the inclusion of those non-fee paying accounts. Total Firm Assets incorporate firm mergers as detailed in the Definition of the Firm. Manager accounts are included in the Total Firm Assets.

N/A - Information is not statistically meaningful due to an insufficient number of portfolios for the entire year. *Returns are for a part period year.

Important information

The returns are presented as gross returns, including cash, reinvestment of dividends, interest and other income earned in the period and are calculated on a trade date basis after transaction charges (brokerage commissions), but before taxes and management and custody fees. Performance would have been reduced by such fees and the effect of these fees on performance compounds over time.

As an illustration see the chart below. The value of a \$5,000,000 account would be reduced by the following amounts due to the compound effect of the management fees. (This has been calculated assuming an assumed constant return of 10% per annum¹ and a hypothetical management fee of 0.75% per annum, which has been applied on a simple average of opening and closing annual fund values).

	Gross Value	Net Value	Compound Effect
1 Year	\$5,500,000	\$5,460,625	\$39,375
3 Years	6,655,000	6,513,090	141,910
5 Years	8,052,550	7,768,403	284,147
10 Years	12,968,712	12,069,617	899,095

¹The assumed 10% return is hypothetical and should not be considered a representation of past or future returns. The actual effect of fees on the value of an account over time will vary with future returns, which cannot be predicted and may be more or less than the amount assumed in this illustration. Actual fees may differ from the assumed rate presented above. Please consult the Firm's Advisory Brochure (ADV Part 2) for a description of the fees.

Important information

All investments involve risks including the risk of possible loss of principal. Illiquid investments such as private debt and loans carry special market, operational, and illiquidity risks and should only be considered by sophisticated investors who understand the nature of these, and other, principal risks. The market value of a bond portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, U.S. Government securities risk, foreign investment risk, high yield securities risk and derivatives risk. Asset-backed, mortgage-backed or mortgage-related securities are subject to prepayment and extension risks, delinquency and foreclosure. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. The use of leverage may magnify gains or losses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Bonds rated BBB/Baa or higher are considered investment grade, while bonds rated BB/Ba or lower are considered speculative as to the timely payment of principal and interest.

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Asset allocation and diversification cannot ensure a profit or protect against loss of principal. Duration is a measure of volatility expressed in years. The higher the number, the greater potential for volatility as interest rates change.

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MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Repayment of Unpaid Gas Royalties Update

(No Action Requested)

The Board of University and School Lands (Board) manages land, minerals, and proceeds as trustee for the exclusive benefit of constitutionally identified beneficiaries, with much of the income going towards funding North Dakota schools and institutions. The Board also manages oil, gas and other hydrocarbons underlying sovereign lands for the State of North Dakota.

The Department of Trust Lands (Department) has persistently worked with operators to collect payment or establish escrow accounts for royalties from the production of minerals, in accordance with the Board's lease, rules, and policies. Royalty audits began in the late 1980's and a Revenue Compliance Division was created in 2011 to ensure that royalty and other collections made on behalf of the trusts and other funds are complete and accurate.

A letter regarding Formal Notification of Gas Royalty Repayment Obligations dated February 11, 2020 (February 2020 Letter), was sent to all entities required to pay royalties to the Board pursuant to the Board's lease. The February 2020 Letter advised all entities who have been deducting post production costs from royalty payments made to the Department that they have been underpaying royalties, contrary to the terms of the Board's lease. Entities were advised that penalties and interest continue to accrue on any unpaid amounts in accordance with the Gas Deduction Compliance Notification until payment is received. On April 8, 2020, the Board extended the date to come into compliance with gas royalty payments, as outlined in the February 2020 Letter, to September 30, 2020. At the August 27, 2020, Board meeting, the Board extended the date to come into compliance with gas royalty payments, as outlined in the February 2020 Letter, to April 30, 2020.

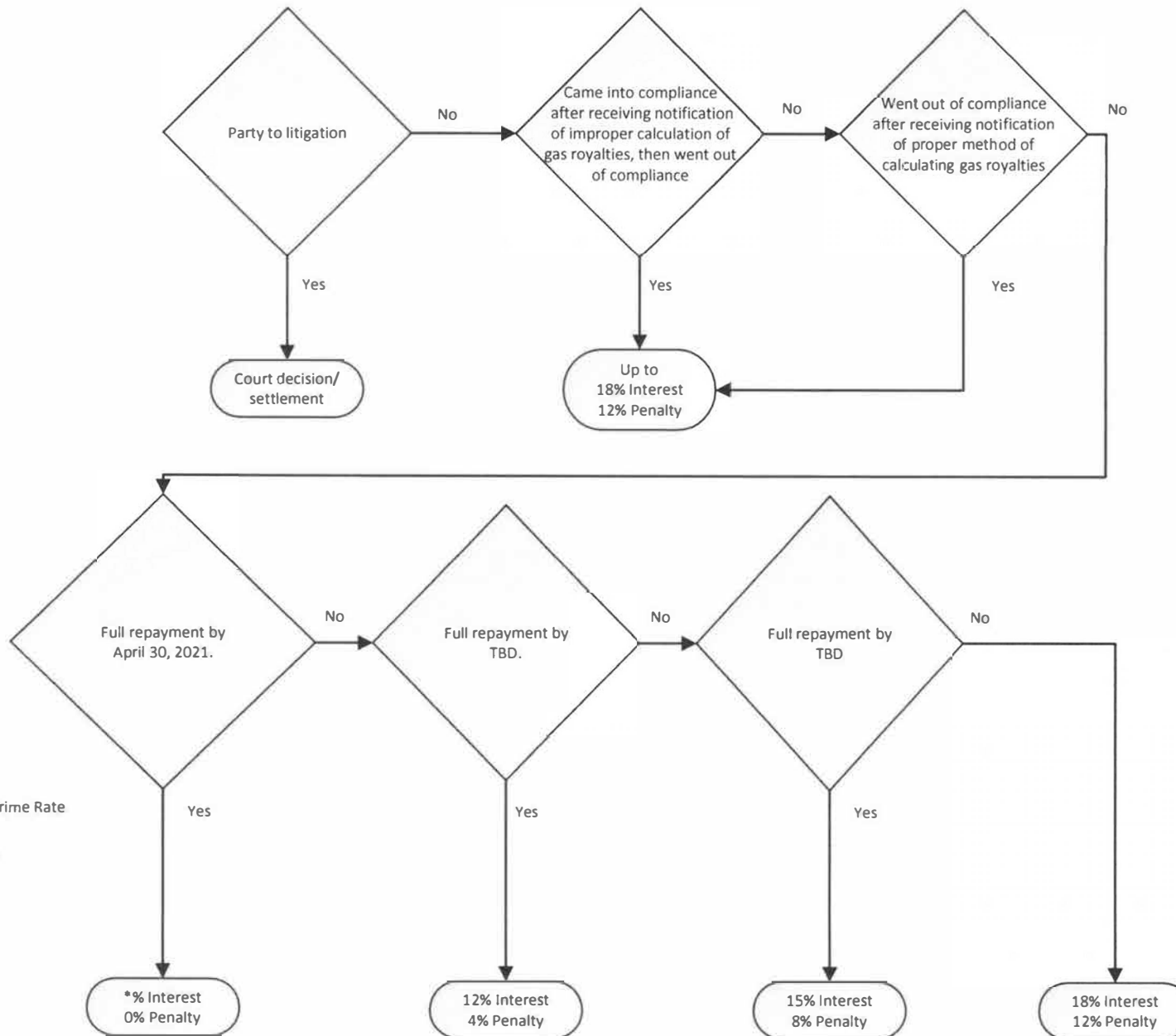
Since the issuance of the February 2020 Letter, the Department has been working with payors who have been deducting post production costs from royalty payments made to the Department to ensure that they are in compliance with the terms of the Board's lease. Since February twenty-five gas royalty payors have requested royalty data to assist in repayment calculations and twelve gas payors have successfully repaid the Department. Roughly 30 gas payors remain out of compliance with the Board's interpretation of its lease:

On May 1, 2021, unless active conversations are occurring with the Department regarding repayment, payors will be subject to 12% interest and 4% penalty.

Attachment 1 outlines the repayment schedule provided to payors with the September 9, 2020 letter.

Gas Deduction Compliance Notification

9/9/2020



* Average Annual Prime Rate
per year + 4%
NDCC § 47-16-39.1

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Newfield Litigation
(No Action Requested)

Case: **Newfield Exploration Company, Newfield Production Company, and Newfield RMI LLC v. State of North Dakota, ex rel. the North Dakota Board of University and School Lands and the Office of the Commissioner of University and School Lands, a/k/a the North Dakota Department of Trust Lands, Civ. No. 27-2018-CV-00143**

Date Filed: March 7, 2018

Court: District Court/McKenzie County

Attorneys: David Garner

Opposing

Counsel: Lawrence Bender - Fredrikson & Byron, P.A. and Michelle P. Scheffler – Haynes and Boone, LLP

Judge: Robin Schmidt

Issues: Plaintiff is seeking a Declaratory Judgment that it is currently paying gas royalties properly under the Board's lease. Specifically, Plaintiff is asking the Court to order that gas royalty payments made by the Plaintiff be based on the gross amount received by the Plaintiff from an unaffiliated third-party purchaser, not upon the gross amount paid to a third party by a downstream purchaser, and that Plaintiff does not owe the Defendants any additional gas royalty payments based on previous payments.

History: A Complaint and Answer with Counterclaims have been filed. Newfield filed an Answer to Counterclaims. A Scheduling conference was held July 27, 2018. Plaintiffs' filed a Motion for Summary Judgment on August 13, 2018 and Defendants filed a Cross-Motion for Summary Judgment. Plaintiffs' Response was filed October 19, 2018 and Defendants' Reply was filed November 9, 2018. A hearing on the Motions for Summary Judgment was held on January 4, 2019 at 1:30 p.m., McKenzie County. An Order on Cross Motions for Summary Judgment was issued on February 14, 2019, granting Plaintiff's motion for summary judgment and denying Defendants' motion for summary judgment. The Judgment was entered March 1, 2019, and the Notice of Entry of Judgment was filed March 4, 2019. Defendants have filed a Notice of Appeal to the North Dakota Supreme Court (Supreme Court). The trial scheduled in McKenzie County District Court for September 10 and 11, 2019 has been cancelled. Defendants/Appellants' Brief to the Supreme Court was filed April 29, 2019. Plaintiffs/Appellees filed their Brief of Appellees and Appendix of Appellees on June 7, 2019. Defendants/Appellants filed a reply brief on June 18, 2019. Oral Argument before the Supreme Court was held on June 20, 2019. On July 11, 2019, the Supreme Court entered its Judgment reversing the Judgment of the McKenzie County District Court. On July 25, 2019 Newfield filed Appellee's Petition for Rehearing. Also on July 25, 2019, a Motion for Leave to File Amicus Curiae Brief by Western Energy Alliance in Support of Newfield was filed with the Supreme Court. On July 26, 2019, a Motion for Leave to File Amicus Curiae Brief by North Dakota Petroleum Council in Support of Newfield was filed with the Supreme Court. On August 20, 2019, the North Dakota Supreme Court requested Defendants file a Response to the Petition for Rehearing and the two Amicus Curiae Briefs no later than September 4, 2019. Defendants/Appellants

ITEM 7A

filed their Response to Petition for Rehearing on September 4, 2019. A Corrected Opinion was filed by the North Dakota Supreme Court on September 9, 2019, changing the page number of a citation. On September 12, 2019, the North Dakota Supreme Court entered an order denying Newfield's Petition for Rehearing. On September 20, 2019, the opinion and mandate of the Supreme Court was filed with McKenzie County District Court. A Telephonic Status Conference was held October 8, 2019. On October 9, 2019, the District Court issued an Order Setting Briefing Schedule which ordered "the parties to file a brief regarding how they suggest the case proceed after the Supreme Court's decision." The parties filed briefs with the District Court on November 6, 2019. Notice of Appearance for Michelle P. Scheffler of Hayes and Boone, LLP on behalf of Plaintiffs was filed November 7, 2019. Telephonic Status Conference scheduled for March 17, 2020 before the District Court. On May 14, 2020, the Court scheduled a five-day Court Trial to start on October 4, 2021, McKenzie County Courthouse. On July 28, 2020, a Stipulated Scheduling Order was entered, setting dates for various deadlines.

**Current
Status:**

- **On April 1, 2021, the State served Defendants State of North Dakota, ex re. the North Dakota Board of University and School Lands, and the Office of the Commissioner of University and School Lands, a/k/a the North Dakota Department of Trust Lands' Interrogatories, Requests for Production of Documents, and Requests for Admissions to Plaintiff.**
- **On April 1, 2021, the Plaintiffs served the following on the State: Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of a Representative of the North Dakota Department of Trust Lands; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Lance Gaebe; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Taylor K. Lee; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Jodi Smith; and Plaintiffs' First Set of Interrogatories, Requests for Production, and Requests for Admission to all Defendants.**

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: **Mandan, Hidatsa, and Arikara Nation v. U.S. Department of Interior Litigation**
(No Action Requested)

Case: **Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior; David L. Bernhardt, in his official capacity as Secretary of the United States Department of Interior; and Daniel H. Jorjani, in his official capacity as Solicitor of the United States Department of the Interior; Case No. 20-1918 (ABJ)**

Date Filed: **July 16, 2020**

Court: **United States District Court for the District of Columbia**

Judge: **Honorable Amy Berman Jackson**

Attorney: **Matthew Sagsveen, Beveridge & Diamond**

Opposing

Counsel: **Steven D. Gordon, Philip Merle Baker-Shenk, Timothy Purdon, and Timothy Billion for Plaintiffs; Reuben S. Schifman for United States Department of Interior**

Issues: In July, 2020, the Mandan, Hidatsa, and Arikara Nation (Tribe) filed a Complaint against the United States Department of the Interior (DOI); David Bernhardt, Secretary of DOI; and Daniel Jorjani, DOI Solicitor. The Complaint asserts four causes of action. Count One asserts that Solicitor Opinion M-37056 issued May 26, 2020, by Jorjani is flawed because it is inconsistent with past DOI opinions and decisions and contrary to the historical record. Count Two asserts the Opinion is flawed because it is the result of improper political influence. Counts Three and Four seek, essentially, an accounting and seem premised on the success of either Count One or Count Two.

In the Complaint's Prayer for Relief, the Tribe requests: (a) that the Jorjani Opinion, which concluded North Dakota owns the lands beneath the Missouri Riverbed within the Fort Berthold Reservation, be set aside; (b) that the Court grant injunctive relief preventing Defendants from taking any steps to implement the Opinion; (c) that the Court compel DOI to account to the Tribe regarding the Missouri Riverbed and underlying minerals, including the production of minerals and the value of royalties owed thereon; (d) the Court declare the 1979 IBLA *Impel Energy* decision (finding the state does not own the riverbed) is *res judicata* and binding on the DOI; (e) the Court compel DOI to take the requisite administrative steps to document that the Missouri Riverbed and underlying minerals are held in trust by the United States for the benefit of the Tribe; (f) the Court compel DOI to take requisite steps to administer and account for the Tribe's mineral rights in lands underlying the Missouri Riverbed; (g) the Court compel DOI to collect, deposit and invest or pay funds owing to the Tribe for the extraction of minerals from the lands underlying the Missouri Riverbed; (h) that the Tribe be awarded reasonable fees, costs, and expenses, including attorney's fees; and (i) that the Court grant such further relief as the Court deems just and equitable.

Along with its Complaint, the Tribe filed a motion for preliminary injunction asking that the Court to immediately order DOI to refrain from doing anything to implement the Jorjani Opinion until the Court has decided the merits of the Tribe's claims regarding that Opinion.

History:

Summons and Complaint filed July 16, 2020. A scheduling conference was held by telephone on July 23, 2020, with a follow up on July 29. The parties agreed the pending motion for preliminary injunction can be considered to be Plaintiff's motion for partial summary judgment on court one and resolved with defendant's cross motion for partial summary judgment as to that count. The merits of count one will be consolidated with any hearing on the motion for preliminary injunction. An Order issued by the Court on July 31, 2020 provides:

- Administrative record - due August 26, 2020;
- Defendant's consolidated opposition to motion for preliminary injunction and cross-motion for partial summary judgment - due September 1, 2020.
- Plaintiff's consolidated reply and cross-opposition to Defendant's motion - due October 1, 2020.
- Defendant's cross-reply to opposition - due October 15, 2020.
- No lease or other official record affecting ownership of the Missouri Riverbed mineral estate within the Reservation may be modified or changed before 200 days from the date of this order – February 16, 2021, unless Defendant seeks the court's permission and amendment of the order, the Plaintiff has an opportunity to be heard, and the motion is granted.

That any revenues generated from riverbed mineral development under control of DOI not be disbursed until after the Court's resolution of the cross-motions for partial summary judgment on count one.

The State of North Dakota filed an Expedited Motion to Intervene on August 10, 2020. The Court issued an Order on August 11, 2020, allowing Plaintiff to respond to the State's Motion by August 17, 2020, and the State to file a reply by August 21, 2020. The Tribe filed its Opposition to the State Motion to Intervene on August 17, 2020. On August 21, 2020, the State filed its reply to the Tribe's opposition to the motion to intervene.

Current Status:

- **The Notice of Lodging of Administrative Record was filed on August 26, 2020.**
- **The Court entered its Opinion and Order granting North Dakota's Motion to Intervene and setting forth requirements for filings.**
- **On September 1, 2020, the United States filed the United States Department of Interior's Opposition to Plaintiff's Motion for Preliminary Injunction and Cross-Motion for Partial Summary Judgment.**
- **On September 8, 2020, Plaintiff filed a Motion to Complete Administrative Record and a proposed Order.**
- **Also on September 8, 2020, the State filed the Intervenor-Defendant State of North Dakota's Cross-Motion for Partial Summary Judgment and Opposition to Plaintiff's Motion for Preliminary Injunction.**
- **On April 2, 2021, Plaintiff's Supplemental Submission Regarding Mootness by Mandan, Hidatsa, and Arikara Nation, State of North Dakota's Response to Mootness, and U.S. Department of Interior's Response to Order of the Court were filed.**

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Continental Interpleader Litigation
(No Action Requested)

Case: **Continental Resources, Inc. v. North Dakota Board of University and School Lands, et al., Case No. 1:17-cv-00014**

Date Filed: **December 23, 2016**

Court: **Federal District Court, 8th Circuit**

Judge: **Honorable Daniel Hovland**

Attorney: **Charles Carvell, David Garner, and Jen Verleger**

Opposing

Counsel: **Lawrence Bender, David Ogden, Paul Wolfson, Shaun Pettigrew, Evelyn S. Ying**

Issues: In December 2016, Continental Resources, Inc. (Continental) brought an interpleader action against the Board of University and School Lands and the United States regarding certain public domain lands underlying Continental operated wells located in McKenzie, Mountrail, and Williams Counties. This case involves a disagreement between the State and United States over the location of the ordinary high watermark—and consequently title to underlying minerals—on federally owned land along the now inundated historic Missouri River. Continental is requesting the Court determine title to the disputed lands so that Continental can correctly distribute the proceeds from the affected wells. Continental has claimed that there is “great doubt as to which Defendant is entitled to be paid royalties related to the Disputed Lands.” Currently, Continental is paying the United States its full royalty based on the acreage it claims. The remaining royalty, over and above what is due the United States, is being escrowed with the Bank of North Dakota.

History: The United States removed this action to federal district court on January 11, 2017. The Board filed its answer to the complaint on February 13, 2017. The United States filed its answer to the complaint on May 12, 2017. An Amended Complaint was filed by Continental Resources on September 14, 2017. The United States filed a Motion to Dismiss for Lack of Subject Matter Jurisdiction on October 18, 2017. In support of its motion, the United States alleges that it has not waived its sovereign immunity under the Quiet Title Act and that the interpleader action is moot under S.B. 2134.

The Board filed a response on December 20, 2017 opposing the motion to dismiss. Continental filed a response and the United States filed its reply. The United States filed a reply on March 16, 2018. The Board filed a Surreply to the Motion to Dismiss on April, 16, 2018. The Order Denying the United States’ Motion to Dismiss for Lack of Subject Matter Jurisdiction was entered on December 31, 2018. The Order provided that North Dakota and the United States confer and submit a proposed scheduling order to the Court no later than sixty days from the date of the order. On January 8, 2019 the United States filed its Motion to Stay Action Due to Lapse of Appropriations. On January 10, 2019, the Court granted the United States’ Motion and cancelled the January 24, 2019 scheduling conference. The Order stated the “action is stayed until [federal] appropriations are restored and Department attorneys and the Bureau of Land Management personnel are permitted to resume their usual civil litigation functions.” The United States filed a

Notice of Restoration of Appropriations on January 28, 2019, which requested the Court set a new scheduling conference date. On January 30, 2019, the Court issued an order granting the motion for scheduling conference, requiring the parties submit a revised scheduling/discovery plan by March 15, 2019, and setting a telephonic scheduling conference for 10:00 a.m., March 18, 2019. The parties filed a Joint Motion for Extension of Time to File Scheduling Proposal and Participate in Scheduling Conference on March 12, 2019. The Court entered an Order granting the extension to April 12, 2019 and a scheduling conference was reset for April 15, 2019. The Scheduling Conference was held on April 15, 2019. On June 14, 2019, the Board of University and School Lands filed its Amended Answer to Amended Complaint with Statement of Claim. By August 13, 2019, the United States shall assert its claims, if any, to the disputed stake. After the August 13, 2019 filing, the proceedings will be stayed until September 19, 2019 or another date set by the Court. During the stay, the United States and the Board are to discuss whether the dispute that gave rise to the litigation can be resolved. By no later than September 19, 2019, the United States and Board shall inform the Court of the status of their discussions and the Court will consider a schedule for the case. A Status Conference was set for September 20, 2019 before Magistrate Judge Clare R. Hochhalter. On August 1, 2019, the Status Conference previously set for September 20 was reset to October 11, 2019 at 10 a.m. before Magistrate Judge Clare R. Hochhalter. On August 13, 2019, the United States filed a Motion for Extension of Time to Plead and Assert Affirmative Claims and the Motion was granted on the same day, giving the United States until August 27, 2019 to file. The United States filed their Answer to Amended Complaint on August 27, 2019. On October 3, 2019, Defendants filed a joint motion and memorandandum for postponement of the October 11, 2019 status conference by 90 days. On October 4, 2019, the Court entered an Order granting the motion to continue status conference. Status conference was reset to January 13, 2020, at 9 a.m. via telephone before Magistrate Clare R. Hochhalter. United States Department of Justice advised it will be working with the United States Department of Interior – Bureau of Land Management regarding a settlement proposal. On November 8, 2019, the Board received an email from the US DOJ in response to the Board’s request that the federal government start settlement discussions by making a proposal to the Board. The email states the federal government believes its OHWM surveys are accurate, and cited N.D.C.C. § 61-33.1-06, which states: “Notwithstanding any provision of this chapter to the contrary, the ordinary high water mark of the historical Missouri riverbed channel abutting . . . public domain lands . . . must be determined by the branch of cadastral study of the [BLM] in accordance with federal law.” Relying on this statute, US DOJ suggests that the federal surveys are presumptively accurate, and then states: “we respectfully suggest that the best and most appropriate path forward would be for representatives of North Dakota to identify the specific areas where it believes the agency erred in identifying the OHWM and proffer the evidence on which it bases that belief. BLM would then assess that evidence in good faith to ascertain if a compromise, aimed at reducing litigation risk, is possible.” Status conference was held January 13, 2020 and another status conference was set for April 7, 2020.

**Current
Status:**

- **On April 7, 2020, an Order RE: Briefing Scheduled was issued by the court setting the following deadlines: Motions for Summary Judgment due simultaneously on May 7, 2020; Responses are due June 5, 2020; and Replies are due June 12, 2020.**

- On December 8, 2020, the Court issued its Order Granting the United States' Motion for Partial Summary Judgment.
- Notice of Interlocutory Appeal as to the Order on Motion for Partial Summary Judgment filed by the North Dakota Board of University and School Lands on February 5, 2021. Transmittal of the Notice of Appeal Supplement to the 8th Circuit Court of Appeals was also on February 5, 2021.
- On March 5, 2021, the Board moved for an extension of time to file the Opening Brief and Appendix with the 8th Circuit Court of Appeals and the Court granted that motion the same day.
- On March 23, 2021, the United States' Motion to Dismiss Appeal for Lack of Appellate Jurisdiction was filed.
- On April 5, 2021, the State filed North Dakota Board of University and School Lands' Response to United States' Motion to Dismiss Appeal for Lack of Appellate Jurisdiction.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Nelson, Coachman, & Sorum - Quiet Title Action
(No Action Requested)

Case: Marvin Nelson, Michael Coachman & Paul Sorum v. The Board of University and School Lands of the State of North Dakota – Civ. No. 27-2021-CV-00147

Tribunal: McLean County District Court

Judge: The Honorable Robin Schmidt

Attorney: David Garner

Opposing

Counsel: Plaintiffs Appearing Pro Se

Issues: The Board was named as a defendant in the above reference case which was served on April 15, 2021. Plaintiffs have filed a Summons for Petition or Quiet Title, Petition for Quiet Title, and a Memorandum in Support of Petition for Quiet Title. Plaintiffs are seeking to quiet title to the property described as:

That area of the bed of Lake Sakakawea known as Lake Jennie (Jenne Lake) delineated by the US Army Corps of Engineers Shoreline Survey used in acquiring land for the creation of Lake Sakakawea In Section 30 of Township 153 North Range 98 West and in Sections 23,24,25,26 in Township 153 North Range 99 West (approximately 488.68 acres).

History:

**Current
Status:**

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

April 29, 2021

RE: Whitetail Wave Litigation
(No Action Requested)

Case: **Whitetail Wave LLC v. XTO Energy, Inc.; the Board of University and School Lands; and the State of North Dakota – 27-2015-CV-00164**
Date Filed: **June 4, 2015**
Court: **McKenzie County District Court**
Judge: **Robin Schmidt**
Attorney: **David Garner/Jennifer Verleger**
Opposing Counsel: **Whitetail Wave – Christopher Sweeney; XTO Energy – Lawrence Bender**

Issues: On August 1, 2015, the Attorney General’s Office was served with a complaint in the above referenced case. This case is challenging the State’s determination of the OHWM east of the Highway 85 Bridge, near the northern border of the Fort Berthold Indian Reservation. The Board has currently leased minerals pursuant to the Phase II Investigation for this tract. The Plaintiff is requesting that title to the minerals be quieted and has alleged claims of Unconstitutional takings, trespass, slander of title, and constructive trust/unjust enrichment against the State. The complaint also makes a number of claims specific to XTO Energy Inc., the operator of the wells on the tracts in dispute. Specifically, the Plaintiff is requesting that the State’s claim to sovereign lands’ mineral interest be restricted to those minerals located below the OHWM of the Missouri River prior to inundation of the Lake Sakakawea.

An answer was filed on behalf of the Board on July 21, 2015. In January 2016, the State Engineer intervened in the case.

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 19, 2018 and XTO filed a Response in Support of Continued Stay on October 26, 2018. On November 5, 2018, the Court entered its Order for Continued Stay of Proceedings, staying the proceedings, holding all deadlines in abeyance, and ordering that upon final disposition of the Sorum lawsuit the parties will request a status conference to schedule a new trial date and reset other deadlines. The continued stay was affirmed on November 27, 2018. On September 30, 2020, the District Court scheduled a Telephonic Status Conference for October 6, 2020. On October 6, 2020, Spencer Ptacek filed a Notice of Appearance on behalf of XTO. On October 7, 2020, the District Court scheduled a pretrial conference for August 10, 2021, and scheduled a five day, six person jury trial for August 16-20, 2021. On October 22, 2020, the Board of University and School Lands and State Engineer filed their Motion to Dismiss and Supporting documents.

Current Status:

- **On November 5, 2020, Plaintiff filed a Notice of Hearing on the Board of University and School Lands and State Engineer’s Brief in Support of Motion to Dismiss for 9:00 a.m. on December 3, 2020, at the McKenzie**

County Courthouse, Watford City, ND. Also filed was Whitetail Wave LLC's Response to State's Motion to Dismiss.

- On November 12, 2020, the Board of University and School Lands and State Engineer's Reply Brief in Support of Motion to Dismiss was filed.
- Also on November 12, 2020, the Response to the State Defendants' Motion to Dismiss was filed by XTO.
- On January 4, 2021, Whitetail Wave filed its Surreply to State's Motion to Dismiss.
- On January 19, 2021 the Board of University and School Lands and State Engineer filed their Response to Whitetail Wave's Surreply Regarding State's Motion to Dismiss.
- On April 13, 2021, the Court entered its Order on State's Motion to Dismiss, denying the State's Motion.

Procedures for Executive Session regarding Attorney Consultation and Consideration of Closed Records

Overview

- 1) The governing body must first meet in open session.
- 2) During the meeting's open session the governing body must announce the topics to be discussed in executive session and the legal authority to hold it.
- 3) If the executive session's purpose is attorney consultation, the governing body must pass a motion to hold an executive session. If executive session's purpose is to review confidential records a motion is not needed, though one could be entertained and acted on. The difference is that attorney consultation is not necessarily confidential but rather has "exempt" status, giving the governing body the option to consult with its attorney either in open session or in executive session. Confidential records, on the other hand, cannot be opened to the public and so the governing body is obligated to review them in executive session.
- 4) The executive session must be recorded (electronically, audio, or video) and the recording maintained for 6 months.
- 5) Only topics announced in open session may be discussed in executive session.
- 6) When the governing body returns to open session, it is not obligated to discuss or even summarize what occurred in executive session. But if "final action" is to be taken, the motion on the decision must be made and voted on in open session. If, however, the motion would reveal "too much," then the motion can be abbreviated. A motion can be made and voted on in executive session so long as it is repeated and voted on in open session. "Final actions" DO NOT include guidance given by the governing body to its attorney or other negotiator regarding strategy, litigation, negotiation, etc. (See NDCC §44-04-19.2(2)(e) for further details.)

Recommended Motion to be made in open session:

Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation relating to:

- **Newfield Exploration Company et al Civ. No. 27-2018-CV-00143**
- **Mandan, Hidatsa, and Arikara Nation vs. United States Department of Interior, et al., 1:20-cv-01918**
- **Continental Resources Case No. 1:17-cv-00014**
- **Sorum et al. QTA – pg. 142**
- **Whitetail Wave Case No. 27-2015-cv-00164**
- **Legislative Update - HB 1080**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Stenehjem					
Governor Burgum					

Statement:

“This executive session will be recorded and all Board members are reminded that the discussion during executive session must be limited to the announced purpose for entering into executive session, which is anticipated to last approximately one hour.

The Board is meeting in executive session to provide guidance or instructions to its attorneys regarding the identified litigation. Any formal action by the Board will occur after it reconvenes in open session.

Board members, their staff, employees of the Department of Trust Lands and counsel with the Attorney General staff will remain, but the public is asked to leave the room.

The executive session will begin at: _____AM, and will commence with a new audio recording device. When the executive session ends the Board will reconvene in open session.”

Statements upon return to open session:

State the time at which the executive session adjourned and that the public has been invited to return to the meeting room.

State that the Board is back in open session.

State that during its executive session, the Board provided its attorney with guidance regarding litigation relating to the sovereign lands' minerals claims.

[The guidance or instructions to attorney does not have to be announced or voted upon.]

State that no final action will be taken at this time as a result of the executive session discussion

-or- .

Ask for a formal motion and a vote on it.

Move to the next agenda item.