BOARD OF UNIVERSITY AND SCHOOL LANDS

Governor's Conference Room Ground Floor, State Capitol
December 21, 2021 at 9:00 AM

Join Microsoft Teams Meeting
+1 701-328-0950
Conference ID: 207 572 823#

AGENDA

➢ **= Board Action Requested**

1. **Approval of Meeting Minutes – Jodi Smith**

   Consideration of Approval of Land Board Meeting Minutes by voice vote.

   ➢ A. November 29, 2021 – pg. 2

2. **Reports – Jodi Smith**

   A. November Report of Encumbrances – pg. 23

   B. November Unclaimed Property Report – pg. 24

   C. Financial Position – pg. 25

   D. Investments Update – pg. 33

3. **Energy Infrastructure and Impact Office - Jodi Smith**

   A. Quarterly Report – pg. 34

4. **Investments – Michael Shackelford**

   A. 3rd Quarter Investment Update – pg. 35

   ➢ B. Apollo Defined Return Fund – pg. 57

   ➢ C. Angelo Gordon Direct Lending – pg. 118

5. **Operations – Jodi Smith**

   ➢ A. Cash Management – pg. 162

6. **Minerals – Jodi Smith**

   ➢ A. Acreage Adjustment Report – pg. 163

   ➢ B. Repayment of Unpaid Gas Royalties – pg. 165

7. **Litigation – Jodi Smith**

   ➢ A. Newfield Exploration Company et al Civ. No. 27-2018-CV-00143 – pg. 166

   ➢ B. William S. Wilkinson et al. Case No. 53-2012-CV-00038 – pg. 169

   Executive session under the authority of NDCC §§ 44-04-19.1 and 44-04-19.2 for attorney consultation with the Board's attorneys to discuss:

   - Acreage Adjustment Report
   - Repayment of Unpaid Gas Royalties
   - Newfield Exploration Company et al Civ. No. 27-2018-CV-00143
   - William S. Wilkinson et al. Case No. 53-2012-CV-00038

Next Meeting Date – January 27, 2022

Minutes of the Meeting of the
Board of University and School Lands
November 29, 2021

The November 29, 2021 meeting of the Board of University and School Lands was called to order at 9:01 AM in the Governor's Conference Room of the State Capitol and via Microsoft Teams by Chairman Doug Burgum.

Members Present:

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

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Kate Schirado	Administrative Assistant
Christopher Dingwall	Minerals Title Specialist
Dennis Chua	Investments
Rick Owings	Administrative Staff Officer
Michael Humann	Surface Division Director
Kristie McCusker	Paralegal
Adam Otteson	Revenue Compliance Director
Michael Shackleford	Investments Director
Lynn Spencer	Minerals Title Specialist
Susan Dollinger	Unclaimed Property
James Wald	Legal Council
Scott Giere	Revenue Compliance
Peggy Gudvangen	Finance Division Director
Kayla Spangelo	Surface Range Soils Management Specialist
Derek Lowstuter	Surface Land Management Specialist
Catelin Newell	Administrative Staff Officer
Vicki Siegel	Finance Administrative Officer
Jessica Fretty	Unclaimed Property Administrative Assistant
Emily Bosch	Unclaimed Property Claims
Chris Suelzle	Minerals Division Director
Matthew Reile	ITD Data Management Intern
Joseph Stegmiller	Natural Resources Professional
Jacob Lardy	Surface Land Management Specialist

Guests in Attendance:

Dave Garner	Office of the Attorney General
Troy Seibel	Office of the Attorney General
Reice Haase	Office of the Governor
Leslie Bakken Oliver	Office of the Governor
Jared Mack	Eide Bailly
Quentin Obrigewitsch	KLJ
Renae Bloms	Office of Management and Business
David Mackie	Continental Resources
Geoff Simon	Western Dakota Energy Association
Joel Brown	MineralTracker
Cathrine Grimsrud	MineralTracker
Joe Ebisa	Journalist
Ron Ness	NDPC
Brady Pelton	NDPC

Amy Sisk	Bismarck Tribune
Adam Willis	Fargo Forum
Curtis Krapp	Shelly Shelby
Cheryl Brown	Matt Simmons
Gary Hagen	Will Houser
Sarah Mixon	Kyle Brown
Launa Moldenhauer	Eric Sundberg
Kelly Moldenhauer	

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 October 28, 2021 regular meeting was made by Attorney General Stenehjem and seconded by Treasurer Beadle and the motion carried unanimously on a voice vote.

R E P O R T S

October 2021 Report of Encumbrances Issued by Land Commissioner

Granted to: **DENBURY ONSHORE LLC, PLANO-TX**
For the Purpose of: On-lease Activity: Pipeline-Water and CO2 Injection Pipeline
Right-of-Way Number: RW0008894
Trust: A - Common Schools
Legal Description: BOW-131-105-16-SW4

Granted to: **DENBURY ONSHORE LLC, PLANO-TX**
For the Purpose of: On-lease Activity: Pipeline-Water and CO2 Injection Pipeline
Right-of-Way Number: RW0008895
Trust: A - Common Schools
Legal Description: BOW-132-106-36-S2SW4, LOTS 6,7

Granted to: **DENBURY ONSHORE LLC, PLANO-TX**
For the Purpose of: On-lease Activity: Pipeline-Water and CO2 Injection Pipeline
Right-of-Way Number: RW0008897
Trust: A - Common Schools
Legal Description: BOW-131-106-36-SW4

Granted to: **MARATHON OIL COMPANY INC, DICKINSON-ND**
For the Purpose of: Easement: Pipeline-Salt Water Pipeline
Right-of-Way Number: RW0008939
Trust: A - Common Schools
Legal Description: DUN-146-93-16-NE4

Granted to: **NORTH DAKOTA GAME AND FISH DEPARTMENT, BISMARCK-ND**
For the Purpose of: Permit: Access to School Land
Right-of-Way Number: RW0008956
Trust: A - Common Schools
Legal Description: MOR-135-83-36-NE4, SE4, SW

Granted to: **SELECT ENERGY SERVICES LLC, WILLISTON-ND**
For the Purpose of: Permit: Temporary Water Layflat Line
Right-of-Way Number: RW0008972
Trust: A - Common Schools
Legal Description: MCK-153-94-36-SW4

October 2021 Consideration Total: $81,740.30

October 2021 Report of Shut-Ins Approved by Land Commissioner

Granted to:	**Crescent Point Energy U.S. Corp**
For the Purpose of:	Operations
Date Issued:	10/15/2021
Application Fee:	$100.00
Trust:	SIIF – Strategic Investment and Improvements Fund
Lease:	OG-09-01773, OG-09-01774

Summary of Oil and Gas Lease Auction

On behalf of the Board of University and School Lands (Board), the Department of Trust Lands conducted an oil and gas lease auction on www.energynet.com which concluded on November 2, 2021.

There were 59 tracts offered, and 52 received competitive bids (if the Board does not receive a competitive bid, the lease is awarded to the nominator). The highest bid per acre was $4,824.00 ($96,480.00 for 20.00 net acres) in Williams County. 21 tracts benefit the Common Schools Trust Fund, two tracts benefit the North Dakota State University Trust Fund, and 36 tracts benefit the Strategic Investment and Improvements Fund (SIIF).

County	Tracts/County	Net Mineral Acres	Total Bonus	Average Bonus/Acre
Bottineau	1	80.00	$8,320.00	$104.00
Burke	8	637.66	$5,108.30	$8.01
Divide	14	1043.63	$175,337.86	$168.01
McKenzie	8	853.04	$233,007.47	$273.15
Sioux	7	719.24	$719.24	$1.00
Williams	21	1399.83	$599,323.13	$428.14
GRAND TOTAL	**59**	**4733.40**	**$ 1,021,816.00**	**$215.87**

There was a total of 18 bidders who submitted 728 bids on 52 tracts. The bidders were from 10 states and one Canadian province (AZ, CO, MN, MT, NC, ND, TX, WA, WY and AB Canada).

A total of $1,021,816.00 of bonus was collected from the auction.

October 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 (Department) 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 October 2021, the Division received 2,169 holder reports with a property value of $10,339,023 and paid 215 claims with a total value of $199,461.

At the October 28, 2021, Board meeting the Treasurer requested the estimated amount of property held by the Unclaimed Property Division. As of June 30, 2021, the Department estimates $104,284,403 is held.

N.D.C.C. § 47-30.2-44 provides:

> 1. Except as otherwise provided in this section, the department shall deposit to the credit of the common schools trust fund all funds received under this chapter, including proceeds from the sale of property under sections 47-30.2-40, 47-30.2-41, 47-30.2-42, and 47-30.2-43.
>
> 2. The department shall maintain an account with an amount of funds the commissioner reasonably estimates is sufficient to pay claims allowed under this chapter.

The Department's fiscal Cash Management policy states:

> **Unclaimed Property:** The target range for Unclaimed Property operating cash is between $1.5 and $2.5 million. Any amounts over $2.5 million will be invested in the Permanent Trust Fund investment pool. If the balance falls below $1.5 million, it may be replenished through holder remittances or through the liquidation of a portion of the Unclaimed Property fund's investments.

Per the North Dakota Constitution Article IX Section 1:

> All proceeds of the public lands that have been, or may be granted by the United States for the support of the common schools in this state; all such per centum as may be granted by the United States on the sale of public lands; the proceeds of property that fall to the state by escheat; all gifts, donations, or the proceeds thereof that come to the state for support of the common schools, or not otherwise appropriated by the terms of the gift, and all other property otherwise acquired for common schools, must be and remain a perpetual trust fund for the maintenance of the common schools of the state. All property, real or personal, received by the state from whatever source, for any specific educational or charitable institution, unless otherwise designated by the donor, must be and remain a perpetual trust fund for the creation and maintenance of such institution, and may be commingled only with similar funds for the same institution. If a gift is made to an institution for a specific purpose, without designating a trustee, the gift may be placed in the institution's fund; provided that such a donation may be expended as the terms of the gift provide. Revenues earned by a perpetual trust fund must be deposited in the fund. The costs of administering a perpetual trust fund may be paid out of the fund. The perpetual trust funds must be managed to preserve their purchasing power and to maintain stable distributions to fund beneficiaries.

Once funding is placed in the Common Schools Trust Fund, it cannot be moved back into a cash account for the purposes of fulfilling a claim the Department has received. Thus, funds are kept available at the Bank of North Dakota and at Northern Trust to ensure adequate funding is available to meet claims obligations.

Investment Updates

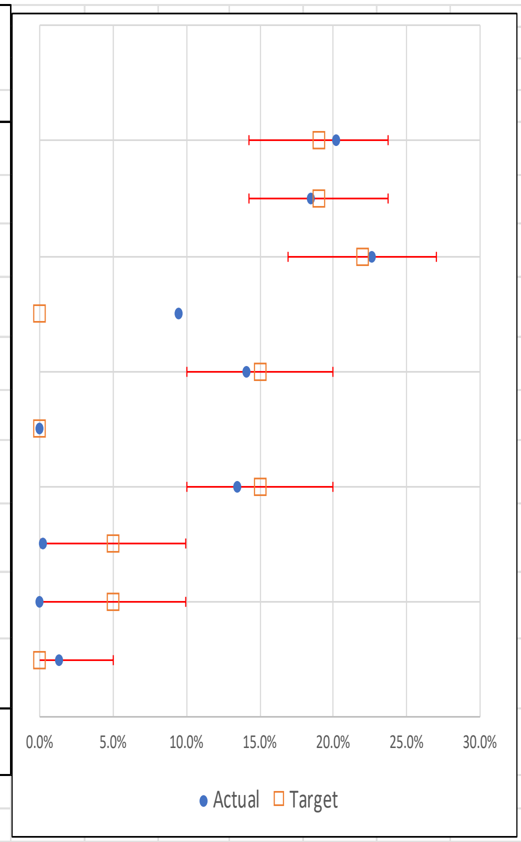
Portfolio Rebalancing Updates

There were no capital calls made since the last Board meeting hence unfunded commitments as of November 19, 2021, still stands at around $825.9M. These are as follows:

1. Apollo Accord Fund, $84.8M
2. Varde Dislocation Fund, $42.5M
3. GCM Private Equity, $115.1M
4. ARES Pathfinder Fund, $74.5M
5. Angelo Gordon DL IV, $42.5M.
6. Owl Rock Diversified Lending, $56.5M
7. GCM Secondary Opportunities Fund, $150M
8. JPM Infrastructure Fund, $130M
9. Harrison Street Core Property Fund LP, $130M

Asset Allocation
The table below shows the status of the permanent trusts' asset allocation as of Nov. 19, 2021. The figures provided are unaudited.

As of **November 19, 2021**	Market Value $	Actual	Target	Lower Range	Upper Range
Broad US Equity	1,244,820,885.96	20.2%	19.0%	14.0%	24.0%
Broad Int'l Equity	1,136,765,957.58	18.4%	19.0%	14.0%	24.0%
Fixed Income	1,395,778,224.95	22.7%	22.0%	17.0%	27.0%
Transition Account	585,953,714.75	9.5%	0.0%	-5.0%	5.0%
Absolute Return	870,580,404.98	14.1%	15.0%	10.0%	20.0%
DIS	-	0.0%	0.0%	-5.0%	5.0%
Real Estate	829,284,101.00	13.5%	15.0%	10.0%	20.0%
Private Equity (Grosvenor)	15,067,387.31	0.2%	5.0%	0.0%	10.0%
Private Infrastructure (JPM-Infra)	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments (Varde & Apollo)	83,283,743.00	1.4%	0.0%	-5.0%	5.0%
Portfolio Total	6,161,534,419.53	100.0%			



SURFACE

No Net Loss Preliminary Land Sale Approval T136N R86W Section 28 NW1/4, Section 32 N1/2N1/2, Section 36 SE1/4
Trust Land (Attachment 1 - aerial map)
Grant County
Township 136 North, Range 86 West

Section 28: NW¼
Section 32: N½N½
Section 36 SE¼

Provided accessible and leasable land (Attachment 2 - aerial map)
Hettinger County
Township 136 North, Range 94 West
Section 20: S½NE¼, SE¼

The Board of University and School Lands (Board) received an application from Kelly and Launa Moldenhauer for the purchase of approximately 480 acres of trust land in Grant County (see trust land legal description above) as part of a no net loss land sale in accordance with Chapter 85-04-07 and Chapter 85-04-08 of the North Dakota Administrative Code. To meet the requirements of a no net loss land sale, the applicants/purchasers are required to provide land (see provided accessible and leasable land legal description above) as payment.

The properties were evaluated and appraised as part of a no net loss property sale. The attached Land Evaluations (Attachments 3 and 4) contain land and environmental assessment, rental, and appraisal information for these properties. The Requirements of Sale – Sale Criteria Evaluation is also attached (Attachment 5).

The following is a summary of sale criteria (Attachment 5) considered by the Department of Trust Lands in consideration of a no net loss sale in accordance with subsections a through f of N.D. Admin. Code 85-04-07-02(2) and 85-04-08-02(2).

a. Equal of greater value

Trust Land Value:	Grant County Appraisal	$262,625
	Allied Appraisals Inc.	$293,000
Land to be provided:	Allied Appraisals Inc.	$382,500

b. Equal or greater income

Annual Rental Income

Trust Land Fair Market Value (FMV) minimum rent Grant County	$6,726
Land to be provided FMV minimum rent Hettinger County	$6,721
Land to be provided current private rent Hettinger County	$9,360

Annual Income Return (rent less tax obligations)

Trust Land FMV minimum rent less taxes Grant County	$6,624
Land to be provided FMV minimum rent less taxes Hettinger County	$5,677
Land to be provided current rent less taxes Hettinger County	$8,586

Comments: The highest and best use for the trust land and the land to be provided is agricultural. The trust land in Grant County for which the sale application was received would have an annual income return of $6,624. The land to be provided in Hettinger County would have a projected annual income, when applying the Board's FMV rent policy, of $5,677, resulting in an estimated decrease in annual income of $957 to the various trusts. Using the current cash rent value (obtained from applicant) there would be an annual income of $8,586, resulting in an estimated increase in annual income of $1,962 to the various trusts. It should be noted that the FMV minimum rent is lower because the major soil, Vebar-Cohagen, has a low cropland productivity index which results in the average cropland rental rate for Hettinger County being adjusted downward. The current rental rate of $40 per acre ($9,360) is indicative of good demand to rent cropland and a willingness for prospective lessees to pay average to above average rental rates for lower producing cropland.

c. Acreage. A no net loss sale should result in the board receiving equal or greater acreage. The board may, however, consider receiving less acreage in return for one or more of the following:
   (1) Improved dedicated access;
   (2) Substantially higher value; or
   (3) Substantially higher income.

   Comments: Although this transaction would not result in the Board receiving equal or greater acreage, the land to be provided has excellent dedicated access when compared to the N½N½ of Section 32 and the SE¼ of Section 36. The land to be provided is of higher value than trust land ($382,500 versus $293,000 – Allied Appraisal Values) and would provide similar income ($5,677 versus $6,624) using the Board's FMV rent policy and greater income ($8,586 versus $6,624) using the current private rental rate.

d. Consolidation of trust lands. The proposed no net loss sale must not fragment trust land holdings by creating isolated parcels of trust land. In all no net loss sales, the Board shall reserve all minerals underlying the trust lands pursuant to section 5 of article IX of the Constitution of North Dakota subject to applicable law.

   Comments: The proposed no net loss sale will not fragment trust land holdings by creating an isolated parcel of trust land. All minerals underlying the trust lands would be reserved pursuant to section 5 of article IX of the Constitution of North Dakota subject to applicable law.

e. Potential for long-term appreciation. The proposed no net loss sale must have similar revenue potential as the trust lands.

   Comments: The potential long-term appreciation for the land tracts involved in this sale would be similar for this proposed no net loss sale.

f. Access. A no net loss sale must not diminish access to trust lands. The no net loss land should provide equal or improved access.

   Comments: The land to be provided has excellent dedicated access. This land is 1½ miles west of the Enchanted Highway and has a good County gravel road (St. Michaels Road) with access approaches along the south side of the tract and good section line access trails along the east and north sides of the tract. Two of the three proposed sale tracts do not have improved dedicated access. The N½N½ of Section 32 is an isolated tract which requires access permission across surrounding private land. Access to the SE¼ of Section 36 from the west would be across private land, while access from the east would be by section line trail to the southeast corner. The NW¼ of Section 28 has excellent dedicated access as a County Road traverses the tract (58^{th} St SW).

   Land adjacent to the proposed land is Wildlife Habitat to the north and east, as the United States Bureau of Reclamation owns the entire section 21 (640 acres), three quarters of section 22 (480 acres) to the east. Land to the north of Section 20 the S½ of Section 17 is owned by the Mott 30 Mile Creek Hunt Club. Land to the south and west is privately owned land used for cropland production.

Per N.D. Admin. Code § 85-04-07-03(3) and N.D. Admin. Code § 85-04-08-03(4) concerning the sale procedure:

> Upon a determination that the application covers a tract the board is willing to sell, the department shall post on the department's website a notice of the application for sale, any supporting documentation, and instructions for submitting public

comments. The department also shall publish notice of a letter of application for sale in the official newspaper of the county where the nominated tract is located and in the Bismarck Tribune. Notice must be published once each week for three consecutive weeks prior to the deadline for comments. The notice must contain the legal description of the proposed tract and the deadline for comments. If publication of any notice is omitted inadvertently by any newspaper or the notice contains typographical errors, the department may proceed with the scheduled comment period if it appears the omission or error is not prejudicial to the department's interest. All comments must be in writing and contain the following:

a. Name and address of the interested person;
b. Applicant's name and address;
c. The legal description of the proposed tract for sale as shown on the published notice; and
d. A detailed statement as to whether the interested person supports or opposes the sale.

After public comment and in accordance with N.D. Admin. Code §§ 85-04-07-03 and 85-04-08-03, the Board shall review all appraisals, any public comments, other relevant information including title examinations, and determine whether to proceed with the sale. If the Board decides to proceed with the sale, the Board shall establish a minimum acceptable sale price.

The Department posted notification in the Bismarck Tribune, the Grant County News, the Hettinger County Herald, and on the Department's website with comments received until 5:00 p.m. on September 10, 2021. The comments raised a concern that since many constituents subscribe to a newspaper in their area, which is not always the official county newspaper, not enough notification was provided to the public. It was requested that the comment period be extended and the notice of application for sale be advertised in a much larger area to allow more citizens an opportunity to comment.

On September 30, 2021, the Board authorized the Commissioner to extend the posting for public comment on the Department's website and that notice be published in necessary newspapers in areas surrounding the land for sale. The website included a notice of the application for sale, any supporting documentation, and instructions for submitting public comments regarding the sale. The notice provided a second public comment period set for October 25, 2021 through November 5, 2021. The Department posted in the following papers:

Adams County Record
Grant County News
Carson Press
Hettinger County Herold
Mandan News
Dickinson Press
Bismarck Tribune

The Department received a total of thirteen comments regarding the no net loss sale. A summary of the comments can be reviewed in Attachment 6.

Proposed Sale of Property in Grant County

Tract 1 Township 136 North, Range 86 West, Section 28 NW¼: This tract of land is located approximately 12 miles north and 2 miles east of Carson, North Dakota. There is a gravel road that provides access through the tract. This tract was acquired by foreclosure of the James N. Lester farm mortgage on January 27, 1927 and assigned to the North Dakota State University

Trust Fund. The property was appraised by Allied Appraisals Inc., Bismarck, North Dakota, on February 25, 2021, having a current appraised value of $99,000.

Tract 2 Township 136 North, Range 86 West, Section 32 N½N½: This tract of land is located approximately 9 miles north and 1 mile east of Carson North Dakota. There is no vehicular section line access to this tract. This tract was acquired by foreclosure of the Mina H. Aasved farm mortgage on August 3,1935 and assigned to the Common Schools Trust Fund. The property was appraised by Allied Appraisals Inc., Bismarck, North Dakota, on February 25, 2021, having a current appraised value of $93,000.

Tract 3 Township 136 North, Range 86 West, Section 36 SE¼: This tract of land is located approximately 8 miles north and 5½ miles east of Carson, North Dakota. There is a section line trail that allows access from the east to the southeast corner of this tract. This tract is also adjacent to trust land to the north (NE¼). This land was granted to North Dakota at statehood and assigned to the Common Schools Trust Fund. The property was appraised by Allied Appraisals Inc., Bismarck, North Dakota, on February 25, 2021, having a current appraised value of $101,000.

Motion: The Board authorizes the Commissioner to proceed with the no-net loss sale with a minimum opening bid(s) for:

DESCRIPTION	**Minimum Opening Bid**
T136N R86W Section 28 NW1/4	**$99,000**
T136N R86W Section 32 N1/2N1/2	**$93,000**
T136N R86W Section 36 SE1/4	**$101,000**

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

Tract map documents were also presented to the Board and are available upon request.

Summary of Fall Surface Lease Auctions

The 2021 fall lease auctions were completed in October. The following table is a summary of the fall lease results as compared to the 2019 in-person fall auctions and the 2020 online auctions.

	2019	2020	2021
Number of counties	34	36	34
Total tracts offered	1146	1039	1503
Number of tracts bid unleased	78	43	34
Number of tracts bid-up	146	208	174
Total amount of minimum advertised bids	$2,546,925	$2,001,193	$2,729,707
Total amount received	$2,418,748	$2,330,000	$3,062,820
Total amount collected over minimum bid	$128,177	$328,807	$333,113

All payments from the fall auctions have cleared and no issues remain.
The 34 unleased tracts will be offered again in March of 2022 at the spring auctions.
With the Board's approval of leases today the Department will process the lease documents for the lessees.

Motion: The Board approves the 1,469 surface leases resulting from the fall 2021 surface lease auctions.

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

O P E R A T I O N S

Information Technology Project Status Update

The Department of Trust Land's (Department) 2017-2019 biennial budget appropriation includes $3.6 million to replace legacy information technology (IT) systems as authorized by Senate Bill 2013 of the Sixty-fifth Legislative Assembly.

Severe limitations in the current IT system, including redundant manual processes, have hampered efficiencies. Many of the Department's core data management systems were developed in the 1980s and 1990s, using designs and tools no longer supported by vendors. Some supplemental system improvements and purchases have been implemented; however, the outdated database structure restricts many potential improvements.

On April 29, 2019, the new system for Unclaimed Property was successfully launched.

On July 1, 2020, the new Financial Management and Accounting system was successfully launched.

On September 14, 2020, the Revenue Compliance Division successfully launched the migrated and updated software system.

On November 8, 2021, the Surface Land Management System successfully launched. The Department is currently working through the implementation of specific processes that were considered non-critical for go-live. Additionally, the web-portal launched on December 8, 2021. Funding was requested through the American Rescue Plan Act to support expansion of the web portal to enhance and to allow for online transactions; however, the funding request was not appropriated.
Additional capital funding was approved through Senate Bill 2013 to support the implementation of software for the Minerals Division. The Department will work with our vendor to determine an appropriate schedule for the building and implementation of a Minerals Management system.

Motion: The Board authorizes the Commissioner to utilize continuing authority in the amount not to exceed $600,000 for web portal enhancements and online transactions.

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		

Definitions, Unclaimed Property, Surface Land Management, and Minerals Management Administrative Rules

Due to statutory changes made during the Sixty-seventh Legislative Assembly, the Department of Trust Lands (Department) proposes changes to Title 85, Board of University and School Lands, of the North Dakota Administrative Code as follows:

North Dakota Administrative Code § 85-01-01-01:

Repeal of N.D.A.C. ch. 85-06-01, Administrative Rules relating to public access, necessitated revisions to the N.D.A.C. § 85-01-01-01, including removal of the definition of the word vehicle, which resulted in renumbering the remaining definitions. The definition of encumbrance was revised to be more encompassing of all types of encumbrances. Due to the repeal and reenactment of the Unclaimed Property Act it was necessary to make a clerical correction as to the chapter number. All revisions are spelled out in the attached proposed rules.

North Dakota Administrative Code ch. 85-03:

Due to the repeal of the Unclaimed Property Act (N.D.C.C. ch. 47-30.1), and the enactment of the Revised Uniform Unclaimed Property Act (N.D.C.C. ch. 47-30.2) under Senate Bill 2048, the Department proposes revisions to Article 85-03, Unclaimed Property, of the North Dakota Administrative Code. Many of the revisions relate to clerical corrections regarding references to the North Dakota Century Code chapter, general authority, and law implemented. Further, certain administrative rules were repealed to reflect information that now appears in statute as part of N.D.C.C. ch. 47-30.2, while other proposed rules were added based on new requirements under the law. The most significant change relates to the addition of a chapter regarding Examinations. All revisions are spelled out in the attached proposed rules.

North Dakota Administrative Code ch. 85-04-05:

House Bill 1081 was brought to address enforcement mechanism concerns for N.D.A.C. ch. 85-04-05, Public Access and Use. With the passage of HB 1081, all of N.D.A.C. ch. 85-04-05 was incorporated into N.D.C.C. ch. 15-08. Therefore, the Department requests repeal of this chapter in its entirety. All revisions are spelled out in the attached proposed rules.

North Dakota Administrative Code § 85-06-01-12:

Due to changes in N.D.C.C. §§ 15-05-10 and 47-16-39.1, as provided in House Bill 1080, the Department proposes revising N.D.A.C. § 85-06-01-12 as it relates to penalty and interest calculations. Waiver of penalty and interest was also removed from this section of the administrative code based on the revised language in N.D.C.C. § 15-05-10. All revisions are spelled out in the attached proposed rules.

On August 26, 2021, the Board authorized the Commissioner to proceed with a public comment period and the collection of comments. Additionally, the Board authorized the Commissioner to submit to Legislative Council the Administrative Rules.

The Department received comments relating to Article 85-03, Unclaimed Property. The Department is recommending revising the originally proposed Administrative Rules, as shown in the attached red-line version (Attachment 1), prior to submitting to the Attorney General's Office for review. Attachment 2 is a summary of the comments received, the discussion and review by the Department, and the action taken concerning the proposed rules and changes made based on the comments and discussions.

The following is a summary of the changes provided in Attachment 1, the proposed Administrative Rules as revised after the public comment period. Changes after comments include:

85-03-02-05:

- Title changed.
- Narrowed the scope to further define due diligence requirements for specific types of securities accounts.

Motion: The Board approves the Commissioner to proceed in submitting the proposed revised Administrative Rules for Unclaimed Property, Surface Land Management, and Minerals Management.

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

Administrative Rules (showing redlines to 85-03-02) and Summary of Comments were also presented to the Board and are available upon request.

Audited Financial Statements for the Year Ended June 30, 2021

Eide Bailly CPAs and Business Advisors has completed its review of the financial statements of the Department of Trust Lands for the year ended June 30, 2021 and provided an opinion on the fair presentation of the financial statements.

The draft report identified two audit findings and recommendations, see pages 89 and 90 of financial statement report

The electronic version of the audited financial statement has not been posted, but when finalized will be available on the State Auditor's website at: www.nd.gov/auditor/trust-lands-nddepartment and on the Department of Trust Lands website at: www.land.nd.gov.

The Department of Trust Lands Audited Financial Statement Fiscal Year 2021 booklet report was also presented to the Board and are available upon request.

2019-2021 Biennial Report

In accordance with N.D.C.C. Section 54-06-04, the biennial report submitted by agencies is "covering operations for the two preceding fiscal years." The Department of Trust Lands (Department) developed a biennial report that is informative, a historical record and an excellent reference source covering the periods from July 1, 2019, to June 30, 2021.

The Department has submitted a printed copy of the report to the Governor and Secretary of State's Office. Additionally, an electronic version has been uploaded to the Department's website.

The Department of Trust Lands 2019-2021 Biennial Report booklet was also presented to the Board.

North Dakota Trust Lands Completion Act

On November 26, 2019, the Board of University and School Lands (Board) approved the Commissioner to identify potential tracts for coal acreage exchange with the Federal Government.

The Department of Trust Lands (Department) worked to draft a Federal bill that would allow the Board to relinquish land and minerals and select in lieu thereof equal value Federal land and minerals within North Dakota.

The 67th Legislative Assembly unanimously passed Senate Concurrent Resolution 4013, a concurrent resolution urging Congress to pass the North Dakota Trust Lands Completion Act.

On November 4, 2021, the North Dakota Trust Lands Completion Act (S.3200) "[t]o authorize the relinquishment and in lieu selection of land and minerals in the State of North Dakota, to restore land and minerals to Indian Tribes within the State of North Dakota, to conserve the Little Missouri National Grasslands, and for other purposes" was introduced to the Senate Energy and Natural Resources Committee

In 1889, Congress passed the Enabling Act "to provide for the division of Dakota [Territory] into two states, and to enable the people of North Dakota, South Dakota, Montana, and Washington to form constitutions and state governments, and to be admitted into the union on an equal footing with the original states, and to make donations of public lands to such states." Act of February 22, 1889, Ch. 180, 25 Statutes at Large 676.

Section 10 of the Enabling Act granted sections 16 and 36 in every township to the new states "for the support of common schools." In cases where portions of sections 16 and 36 had been sold prior to statehood, indemnity or "in lieu" selections were allowed. In North Dakota, this grant of land totaled more than 2.5 million acres.

Under sections 12, 14, 16 and 17 of the Enabling Act (and other acts referred to therein), Congress provided further land grants to the State of North Dakota for the support of colleges, universities, the state capitol, and other public institutions. These additional grants totaled approximately 668,000 acres; thus, the total of Enabling Act land grants was nearly 3.2 million acres.

Prior to the enactment of the North Dakota Enabling Act, the United States, through treaties and Executive orders, including the Treaty between the United States of America and the Sisseton and Wahpeton Bands of Dakota or Sioux Indians, made and concluded at Fort Laramie April 29, 1868, and the Executive order of April 12, 1870, established several reservations of land for multiple Indian Tribes located in the State of North Dakota. Title to various mineral interests underlying the reservations were granted to the State of North Dakota at statehood; 31,583 surface acres and 192,610 gross mineral acres reside within the boundaries of the reservations.

Established in 1960, the Little Missouri National Grasslands occupy more than 1,033,271 acres of land in western North Dakota and encompass approximately 108,840 surface acres and 149,073 mineral acres of State Land grant parcels fragmented within its boundaries.

S.3200 will authorize the State of North Dakota to relinquish land grant parcels located within the reservations and the Little Missouri National Grasslands and to select other Federal land or minerals in lieu of not receiving full access to and use of the original land grant parcels the State of North Dakota attained at statehood. Further, S.3200 will accomplish the following:

- Provide to the Indian Tribes control of land and minerals within the reservations;
- Land or minerals relinquished within a reservation would be held in trust by the Secretary of the Interior on behalf of the Tribe within each reservation; and
- Provide for greater conservation and preservation of the Little Missouri National Grasslands.

Congress, through the enactment of this bill, would authorize the State of North Dakota to:

- Relinquish the land and minerals located within the reservations and the Little Missouri National Grasslands; and
- Select, in lieu of the relinquished land, other Federal land and minerals in the State of North Dakota of equal value.

The land conveyed under S.3200 would be subject to all applicable Federal, State, and Tribal law. The legislation requires consultation with North Dakota's Tribes and all transactions are subject to valid existing rights and are intended to only impact state trust lands and minerals and unappropriated federal land and minerals. It is not the intent for these transactions to impact any treaty lands or any possible unceded territory lands.

S.3200 will essentially allow for the Board to address land management issues as they relate to difficult to manage tracts, minimize the number of tracts that are difficult for the public to access, maximize the opportunity for trust land minerals to be mined, and potentially consolidate tracts to allow for more efficient management of the surface. The land within the boundaries of the reservations and the Little Missouri National Grasslands may have been granted to North Dakota through the Enabling Act, acquired from the Board's farm loan pool pursuant to N.D.C.C. § 15-03-04.1 through foreclosure or deed in lieu of foreclosure, or is property defined as "nongrant" and "other than original grant lands" in N.D.C.C. § 15-07-01.

S.3200 was also presented to the Board and is available upon request.

M I N E R A L S

Mineral Valuation

Senate Bill 1013 of the Sixty-Sixth Legislative Assembly approved funding for a mineral valuation study.

The Department of Trust Lands (Department) was tasked with conducting a study to determine the estimated value of the mineral assets, 2.6 million acres, held in trust by the Board of University and School Lands (Board).

The Request for Proposal for the Assessment was released September 20, 2019. A Notice of Intent to Award was issued to MineralTracker on January 2, 2020. On June 30, 2020, MineralTracker was acquired by First International Bank & Trust and continues to provide mineral valuations and mineral management software subscriptions as part of First International's Mineral and Land Services Department.

Joel Brown, a petroleum engineer and appraiser for MineralTracker, will present the opinion of the value using fair market determination in conjunction with directives provided by the Board of University and School Lands Mineral Valuation Policy that was adopted on June 25, 2020.

At the July 29, 2021, Board meeting, the Board instructed the Commissioner to undertake a study on the formula written in the North Dakota Constitution Article IX Section 2 relative to payouts from the funds to ensure a formula that will maintain the long term financial health of the Trusts.

The analysis employed to form the opinion of value was conducted in compliance with the Society for Mining, Metallurgy, and Exploration (SME) Standards and Guidelines for the Valuation of Mineral Properties and the Society of Petroleum Engineers (SPE) Petroleum Resource Management System. The valuation techniques that were performed utilized both an Income Approach and a Market Approach to provide a deterministic value of all Subject Minerals, which have been more fully described herein. The data—such as oil and gas production, well information, mapping information, etc.—that was assembled for the purposes of the Mineral Estate Valuation, was obtained from reputable public sources, including the North Dakota Department of Mineral Resources. Additional information related to the ownership of the Subject Minerals was provided by the State.

In consideration of all relevant information, and the interpretation thereof, as thoroughly described in this report, it is the opinion of this qualified appraiser that the value of all Subject Minerals as of December 31, 2020 is $2,363,837,827.

Mineral Estate Valuation presentation as of December 31, 2020 was presented to the Board and is available upon request.

Acreage Adjustment Survey - T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36

Under North Dakota law, the Board of University and School Lands (Board) is vested with the authority to manage state-owned minerals including the oil, gas, and related hydrocarbons within the beds of the State's navigable waters. On behalf of the State, the Board oversees the Strategic Investment and Improvements Fund (SIIF) which collects the revenues from these sovereign minerals.

<u>Timeline of State Activity Related to Sovereign Lands</u>

- The 1977 Legislature defined "sovereign lands" as "those beds, islands, accretions, and relictions lying within the ordinary high watermark of navigable lakes and streams." 1977 N.D. Sess. Laws, ch. 144, § 1, codified as N.D.C.C. § 15-08.2-02 (repealed 1989 N.D. Sess. Laws, ch. 552, § 4).
- From 1977 to 1989, the Board had authority over both the surface and subsurface of sovereign lands, including the power to convey interests.
- In 1989, the Legislature again defined state title as "those beds, islands, accretions, and relictions lying within the ordinary high watermark of navigable lakes and streams." 1989 N.D. Sess. Laws, ch. 552, § 3, codified as N.D.C.C. § 61-33-01.
- The 1989 Legislature gave the State Engineer's Office authority to manage the surface and the Board authority over the oil, gas, and related hydrocarbons within the subsurface, with each agency having the power to convey interests.
- In 2007, the Office of the State Engineer issued the North Dakota Sovereign Land Management Plan and Ordinary High Water (OHWM) Delineation Guidelines.
- In 2009, the Board and the State Engineer engaged Bartlett & West, a private engineering company, to undertake a comprehensive study of the OHWM along the Yellowstone River and the Missouri River from the Montana border to river mile marker 1549 near Williston (Phase I Delineation).
- In 2010, the Board again contracted with Bartlett & West to approximate the location of the OHWM for the historic Missouri River under Lake Sakakawea from river mile marker 1574 near the Furlong Loop to river mile marker 1482, the border of the Fort Berthold Reservation (Phase II). This study was completed using historical aerial photography, elevation data, and topographic maps.
- In 2010, the Board authorized Phase III to investigate specific and isolated sections of the Missouri and Yellowstone Rivers between Williston to the Montana border that could not be fully completed under Phase I due to location and complexity (this includes the Trenton Lake area.)
- In 2012, the Board initiated the review of the estimated historic OHWM between the Four Bears Bridge and the Garrison Dam (Phase IV) using the same techniques as Phase II.
- In 2013, the North Dakota Supreme Court issued decisions in *Reep v. State* and *Brigham v. State* holding that the State owns the mineral interests up to the OHWM of navigable rivers and water bodies.

- In 2017, the Sixty-Fifth Legislative Assembly's adoption of Senate Bill 2134 (SB 2134), codified as N.D.C.C. ch. 61-33.1, sought to establish state ownership of minerals below the OHWM of the historical Missouri riverbed channel (Historical OHWM) inundated by Pick-Sloan Missouri basin project dams.
- In 2019, the Sixty-Sixth Legislative Assembly amended N.D.C.C. ch. 61-33.1 relating to the ownership of mineral rights of land subject to inundation by Pick-Sloan Missouri basin project dams. Under N.D.C.C. § 61-33.1-03(8), the Board contracted with Kadrmas, Lee & Jackson, Inc. (KLJ) "to analyze the final review findings and determine the acreage on a quarter-quarter basis or government lot basis above and below the [Historical OHWM] as delineated by the final review findings of the industrial commission."

On June 25, 2020, the Board formally requested the North Dakota Industrial Commission complete further review of T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36. The North Dakota Industrial Commission entered Order No. 31104 providing the Department of Trust Lands (Department) with necessary information to complete the acreage adjustment survey in T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36.

The Department consulted with the State Engineer as to the State's sovereign land ownership in Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 of Township 153 North, Range 102 West, Williams/McKenzie Counties, North Dakota (more commonly referred to as the Trenton Lake area.) On November 24, 2020, the State Engineer presented a technical memorandum to the Board. The Board requested the Department provide an outline of options for the Board to review.

On January 28, 2021, the Board was presented with options relating to T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36. The Board requested the Department work with the State Engineer's Office to provide additional insight.

On July 29, 2021, the Board authorized the Commissioner to request that KLJ complete the Acreage Adjustment Survey for T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36.

KLJ is available to review the methodology they used to calculate the acreage adjustments and answer any questions the Board may have regarding the acreage adjustment results. KLJ has provided the Department with a Final Report for Acreage Determination along the Ordinary High Water Mark for T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 as adopted by the North Dakota Industrial Commission Order No. 29129 which will be available on the Department's website.

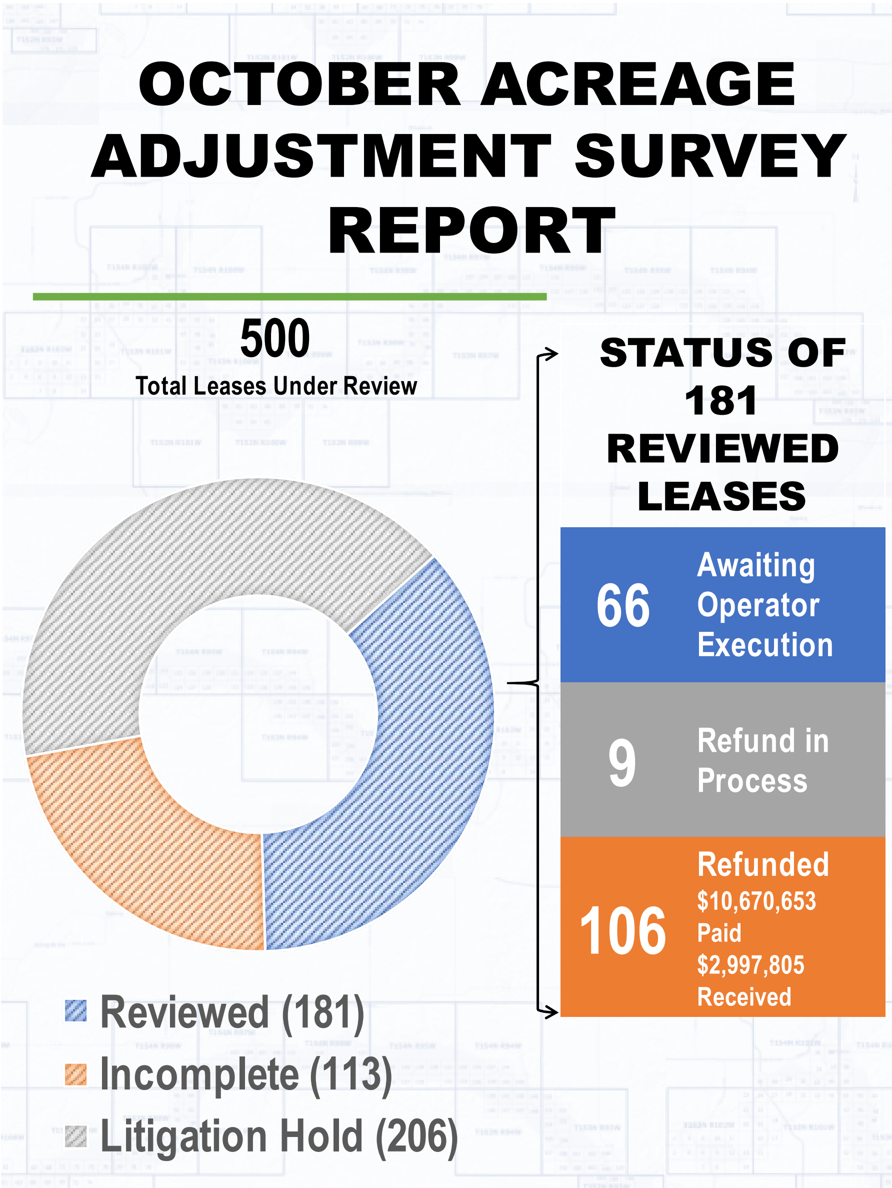
Upon the Board's adoption of the Acreage Adjustment Survey for T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 as prepared by KLJ, the Department will promptly begin updating records to satisfy the Board's duty under N.D.C.C. § 61-33.1-04(2)(a).

Motion: The Board adopts the acreage adjustment survey on a quarter-quarter basis or government lot basis above and below the ordinary high water mark as delineated by the final review findings of the North Dakota Industrial Commission for T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36.

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

Map T153N, R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 were presented to the Board and are available upon request.

Acreage Adjustment Report



NDDTL River Tracts map was also presented to the Board and is available upon request.

Repayment of Unpaid Gas Royalties Update

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 February 2020 Letter 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.

The Department has several royalty repayment offers prepared to present to the Board in executive session pursuant to N.D.C.C. §§ 44-04-19.1 and 44-04-19.2.

L I T I G A T I O N

Newfield Litigation

Case:	**<u>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</u>**
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 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. 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. On July 1, 2021, Defendants filed their Motion for Summary Judgment and Plaintiffs filed their Motion for Partial Summary Judgment. On August 2, 2021, Plaintiffs filed a Motion to Admit Garrett S. Martin Pro Hac Vice and their Response Brief in Opposition to Motion for Summary Judgment. Also on August 2, 2021, Defendants filed their Brief in Response to Plaintiffs' Motion for Partial Summary Judgment. On August 4, 2021, the parties filed an Expedited Joint Motion for Extension of Time to Reply to Briefs in Opposition/Response to Motions for Summary Judgment and the Joint Motion to Exceed Volume Limitations. On August 5, 2021, the Court issued its Order Granting Expedited Joint Motion for Extension of Time to Reply to Briefs in Opposition/Response to motions for Summary Judgment and the Order Granting Joint Motion to Exceed Volume Limitations. The parties now have until August 30, 2021 to file their opposition/response briefs and the page limit was extended from 12 pages to 30 pages for both parties. On August 9, 2021, Plaintiffs requested a hearing on Plaintiff's Motion for Partial Summary Judgment and Defendants Motion for Summary Judgment and scheduled that hearing for September 16, 2021, at 10 a.m. Also on August 9, 2021, a Pretrial Conference was scheduled for 10 a.m. on October 1, 2021. Mediation was held September 2, 2021. The Deposition of Adam Otteson was held August 31, 2021; Jodi Smith's deposition was held September 14, 2021; the deposition of Kelly Vandamme was held September 22, 2021; and the deposition of John Kemmerer was held for September 23, 2021. On September 3, 2021, Plaintiffs filed a Motion to Compel which was later withdrawn on September 16, 2021. On September 8, 2021, Plaintiffs submitted a Motion to Admit Ryan Pitts Pro Hac Vice. The Order of Admission was signed September 9, 2021. On September 10, 2021, Plaintiffs filed a Motion to Exclude Evidence Attached to Defendants Summary Judgment Brief. They also filed an Emergency Motion for Expedited Briefing Schedule and a request for the hearing on both of these motions be held with the motions for summary judgment. Judge Schmidt sent an email to the parties on September 10, 2021 regarding the status. On September 14, 2021, the Order Extending Deadline to Submit Motions in Limine and Pretrial Statements to be due September 20, 2021 was signed. On September 15, 2021, Defendants filed a Motion to Exclude Evidence and Response to Plaintiffs' Motion to Exclude. The parties attending the oral argument on September 16, 2021 and an Order on Cross Motions for Summary Judgment was issued that date. On September 17, 2021, the parties filed a Stipulation regarding Trial Witnesses and the Order Adopting the Stipulation was signed on September 20, 2021. On September 20, 2021, the Defendants filed an Expedited Motion to Supplement Exhibits and Plaintiffs filed a Motion in Limine or to Exclude and Limit Anticipated Testimony. The parties also filed their Pretrial Statements and a Combined Exhibit list. On September 23, 2021, Plaintiffs filed their Response in Opposition to Defendants' Expedited Motion to Supplement Exhibits and the Court entered the Order Granting Expedited Motion to Supplement Exhibits filed by Defendants. On September 24, 2021, Plaintiffs filed their Response in Opposition to Defendants' Motion to Exclude Evidence, an Expedited Motion to Take Joy Barnett's Testimony by Reliable Electronic Means, and a Special Motion to Exclude and Motion in Limine. Defendants filed a Supplemented Exhibit List. On September 27, 2021, the Court entered its order Granting Plaintiffs' Expedited Motion to Take Joy Barnett's Testimony by Reliable Electronic Means. Defendants filed a Second Supplemented Exhibit List and their response to Plaintiff's Special Motion to Exclude and Motion in Limine. On September 28, 2021, Defendants filed their response to Plaintiff's Motion in Limine or to Exclude and Limit Anticipated Testimony. A pretrial conference was held on October 1, 2021. The trial was held on October 4, 5 & 6. The Court issued its Memorandum Opinion, Findings of Fact, Conclusions of Law and Order for Judgment on October 13, 2021. On October 22, 2021, Plaintiffs filed their Statement of Costs and Disbursements of Lawrence Bender, Statement of Costs and Disbursements of Michelle P. Scheffler, and proposed Judgment.

Current Status:

- **On October 27, 2021, the State sent a letter to the Honorable Robin A. Schmidt advising that the State intended to submit a response to the proposed Judgment filed by Plaintiffs.**
- **On November 5, 2021, the State filed its Objection to Plaintiff's Proposed Judgment.**
- **On November 12, 2021, Plaintiffs filed a Notice of Motion, Motion, and Brief in Support of Motion for Leave to File a Response to Defendants Objections to the Proposed Judgment.**
- **Order for Judgment was entered on November 16, 2021.**

- **The Notice of Entry of Judgment and Judgment were entered on November 17, 2021.**

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:

- **Acreage Adjustment Survey**
- **Royalty Offers**
- **Newfield Exploration Company et al Civ. No. 27-2018-CV-00143**

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 at 11:09 AM.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General (Via Teams)
Thomas Beadle	State Treasurer

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Kate Schirado	Administrative Assistant
Catelin Newell	Administrative Staff Officer
Kristie McCusker	Paralegal
Adam Otteson	Revenue Compliance Director
Chris Dingwall	Minerals Title Specialist (only for Acreage Adjustment Survey)

Guests in Attendance:

Dave Garner	Office of the Attorney General
Reice Haase	Office of the Governor
Leslie Bakken Oliver	Office of the Governor

The executive session adjourned at 11:49 AM and the Board returned to the open session and Teams meeting to rejoin the public. During the executive session 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 11:50 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands

Monthly Report of Encumbrances Issued by Land Commissioner

Rights of Way Issued between November 1, 2021 - November 30, 2021

Right of Way R-8974

Granted To	Paragon Geophysical Services Inc, Wichita, Kansas		
For the Purpose Of	Original Permit - Geophysical Operation		
Initial Payment	$12,800.00	**Permanent Rods**	0.00
Date Issued	11/10/2021	**Permanent Acres**	0.00

Surface Tracts/Trusts

Legal Description	Trust
Mercer-141-88-36-SW4	A
Oliver-141-86-36-NW4	A
Oliver-142-85-30-E2NW4, LOTS 1,2	A
Oliver-142-86-36-NE4, SE4	A
Oliver-142-87-16-SE4, SW4	A
Oliver-143-86-26-NW4	D

Right of Way Terms

Financial Type		Payment Amt
Application Fee	Set Amount	$250.00
Initial	Set Amount	$12,800.00

Total Initial Payment Amount $12,800.00

RE: November 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 (Department) 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 November 2021, the Division received 179 holder reports with a property value of $1,989,555 and paid 309 claims with a total value of $901,650.

NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS

Financial Position Report
(Unaudited)

For period ended September 30, 2021

DEPARTMENT OF
ND TRUST LANDS
INVESTING FOR EDUCATION

ITEM 2C

Board of University and School Lands

Comparative Financial Position (Unaudited)

Schedule of Net Assets

Assets by Trust:	September 30, 2021	September 30, 2020
Common Schools	$5,727,407,398	$4,770,110,607
North Dakota State University	86,162,229	73,104,669
School for the Blind	15,378,583	13,047,332
School for the Deaf	24,445,924	21,346,192
State Hospital	16,346,535	14,403,092
Ellendale *	27,904,090	23,414,471
Valley City State University	15,073,219	12,982,065
Mayville State University	10,348,800	8,422,681
Youth Correctional Center	30,502,433	24,889,442
State College of Science	22,056,864	18,877,276
School of Mines **	26,688,286	22,515,576
Veterans Home	6,038,293	5,312,668
University of North Dakota	41,351,927	35,386,094
Capitol Building	3,601,106	4,549,864
Strategic Investment and Improvements	628,858,830	406,055,711
Coal Development	71,448,411	70,995,536
Indian Cultural Education Trust	1,437,515	1,264,232
Theodore Roosevelt Presidental Library	55,748,291	15,439,908
Total	$6,810,798,734	$5,542,117,416

Assets by Type:	September 30, 2021	September 30, 2020
Cash	$355,122,331	$111,652,156
Receivables	6,978,185	9,860,273
Investments ***	6,388,861,858	5,339,547,858
Office Building (Net of Depreciation)	307,163	351,435
Farm Loans	4,988,534	6,912,781
Energy Construction Loans	-	923,408
Energy Development Impact Loans	9,587,974	10,350,690
School Construction Loans (Coal)	29,528,980	38,944,669
Due to/from Other Trusts and Agencies	15,423,709	23,574,146
Total	$6,810,798,734	$5,542,117,416

<u>* Ellendale Trust</u>

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

<u> School of Mines</u>**

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

<u>* Investments</u>**

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

ITEM 2C

Board of University and School Lands

Comparative Financial Position (Unaudited)

Combined Permanent Trusts

	September 30, 2021	September 30, 2020
Balance Sheet		
Assets:		
Cash	$103,242,727	$69,975,624
Interest Receivable	5,931,514	8,464,117
Investments	5,936,373,025	4,964,690,991
Farm Loans	4,988,534	6,912,781
Energy Construction Loans	-	923,408
Due from Other Agencies	15,342,204	9,169,502
Office Building (Net of Depreciation)	307,163	351,435
Total Assets	$6,066,185,167	$5,060,487,858
Liabilities:		
Unclaimed Property Claimant Liability	$16,461,434	$16,645,538
Due to Other Funds	19,152	30,154
Accounts Payable	-	-
Total Liabilities	16,480,586	16,675,692
Equity:		
Fund Balance	6,057,564,355	4,892,120,248
Net Income/(Loss)	(7,859,774)	151,691,918
Total Liabilities and Equity	$6,066,185,167	$5,060,487,858
Income Statement		
Income:		
Investment Income	$28,068,126	$23,290,601
Realized Gain/(Loss)	155,176,813	18,566,915
Unrealized Gain/(Loss)	(197,356,407)	128,010,005
Royalties - Oil and Gas	29,832,403	9,315,506
Royalties - Coal	63,714	72,330
Royalties - Aggregate	2,318	20,837
Bonuses - Oil and Gas	576,790	915,553
Bonuses - Coal	-	-
Rents - Surface	1,681,242	562,897
Rents - Mineral	41,627	141,955
Rents - Coal	4,100	4,100
Rents - Office Building	-	-
Sale of Capital Asset	-	-
Oil Extraction Tax Income	23,294,217	13,111,825
Unclaimed Property Income	(1,225,623)	(103,271)
Total Income	40,159,320	193,909,253
Expenses and Transfers:		
Investment Expense	560,570	678,663
In-Lieu and 5% County Payments	-	-
Administrative Expense	656,380	752,409
Operating Expense - Building	22,144	36,264
Transfers to Beneficiaries	46,780,000	40,750,000
Total Expense and Transfers	48,019,094	42,217,336
Net Income/(Loss)	($7,859,774)	$151,691,917

ITEM 2C

Board of University and School Lands

Comparative Financial Position (Unaudited)

Capitol Building Trust

	September 30, 2021	September 30, 2020
Balance Sheet		
Assets:		
Cash	$592,961	$347,030
Interest Receivable	20,923	25,064
Investments	2,987,222	4,177,770
Total Assets	$3,601,106	$4,549,864
Liabilities:		
Due to Other Trusts and Agencies	$0	$0
Equity:		
Fund Balance	3,462,488	5,535,786
Net Income	138,618	(985,922)
Total Liabilities and Equity	$3,601,106	$4,549,864
Income Statement		
Income:		
Investment Income	$9,312	$22,715
Realized Gain(Loss)	1,504	901
Unrealized Gain/(Loss)	(7,473)	(5,404)
Rents - Surface	987	5,973
Rents - Mineral	802	1,202
Royalties - Oil and Gas	134,252	95,499
Bonuses - Oil and Gas	-	2,160
Bonus - Coal	-	-
Royalties - Aggregate	-	-
Total Income	139,384	123,046
Expenses and Transfers:		
Investment Expense	(3,656)	836
In-Lieu and 5% County Payments	-	-
Administrative Expense	4,422	8,132
Transfers to Facility Management	-	1,100,000
Transfers to Legislative Council	-	-
Transfer to Supreme Court	-	-
Total Expense and Transfers	766	1,108,968
Net Income/(Loss)	$138,618	($985,922)

ITEM 2C

Board of University and School Lands

Comparative Financial Position (Unaudited)

Coal Development Trust

	September 30, 2021	September 30, 2020
Balance Sheet		
Assets:		
Cash	$875,628	$106,517
Interest Receivable	216,234	349,814
Investments	31,158,090	17,629,934
Coal Impact Loans	9,587,974	11,087,642
School Construction Loans	29,528,980	41,422,549
Due from other Trusts and Agencies	271,684	246,655
Total Assets	$71,638,590	$70,843,111
Liabilities:		
Due to Other Trusts and Agencies	$190,179	$172,658
Equity:		
Fund Balance	71,117,671	70,296,353
Net Income	330,740	374,100
Total Liabilities and Equity	$71,638,590	$70,843,111
Income Statement		
Income:		
Investment Income	$95,723	$113,840
Interest on School Construction Loans	180,643	219,786
Realized Gain/(Loss)	15,579	38,566
Unrealized Gain/(Loss)	(77,424)	(30,654)
Coal Severance Tax Income	121,311	117,234
Total Income	335,832	458,772
Expenses and Transfers:		
Investment	4,848	1,991
Administrative	244	203
Transfers to General Fund	-	82,478
Total Expense and Transfers	5,092	84,672
Net Income/(Loss)	$330,740	$374,100

ITEM 2C

Board of University and School Lands

Comparative Financial Position (Unaudited)

Strategic Investment and Improvements Fund

	September 30, 2021	September 30, 2020
Balance Sheet		
Assets:		
Cash	$250,276,045	$40,525,711
Interest Receivable	879,643	1,247,674
Investments	377,703,142	349,949,930
Due from other Trusts or Agencies	-	14,332,397
Total Assets	$628,858,830	$406,055,712
Liabilities:		
Accounts Payable	$0	$0
Equity:		
Fund Balance	860,465,447	767,541,457
Net Income	(231,606,617)	(361,485,745)
Total Liabilities and Equity	$628,858,830	$406,055,712
Income Statement		
Income:		
Investment Income	$1,032,466	$1,518,736
Realized Gain/(Loss)	168,126	59,603
Unrealized Gain/(Loss)	(835,527)	(364,106)
Interest on Fuel Prod Facility	5,599	2,819
Interest - Miscellaneous	49,994	-
Interest and Penalty	15,885	-
Royalties - Oil and Gas	21,550,313	5,042,875
Bonuses - Oil and Gas	(3,712,533)	313,056
Royalties - Coal	42,268	23,928
Rents - Mineral	13,107	48,372
Tax Income - Oil Extraction & Production Distribution	-	14,332,397
Total Income	18,329,698	20,977,680
Expenses and Transfers:		
Administrative	242,914	97,498
Investment Expense	7,864	(6,875)
Transfers to General Fund	-	382,200,000
Transfer to Agriculture Department (HB 1009)	5,000,000	-
Transfer to Department of Commerce (SB 2018)	15,000,000	-
Transfer to ND Insurance Commissioner (SB 2287)	200,000	-
Transfer to Office of Management & Budget (HB 1015)	205,000,000	-
Transfer to Office of Management & Budget (SB 2014)	9,500,000	172,802
Transfer to Innovation Loan Fund (HB 1141)	15,000,000	-
Transfer from General Fund	(14,463)	-
Total Expense and Transfers	249,936,315	382,463,425
Net Income/(Loss)	($231,606,617)	($361,485,745)

As of September 30, 2021 the SIIF had a fund balance of $628,858,830. 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 $124,543,861 as of September 30, 2021.

ITEM 2C

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Indian Cultural Trust

	September 30, 2021	September 30, 2020
Fiduciary Net Position		
Assets:		
Cash	$2,103	$3,334
Interest receivable	739	1,295
Investments	1,434,673	1,259,603
Total Assets	1,437,515	1,264,232
Liabilities:		
Accounts payable	-	-
Total Liabilities	-	-
Net Position:		
Net position restricted	1,437,515	1,264,232
Total Net Position	$1,437,515	$1,264,232
Changes in Fiduciary Net Position		
Additions:		
Contributions:		
Donations	$0	$0
Total Contributions	0	0
Investment Income:		
Net change in fair value of investments	(10,165)	37,223
Interest	6,752	5,865
Less investment expense	(131)	(166)
Net Investment Income	(3,544)	42,922
Miscellaneous Income	-	-
Total Additions	($3,544)	$42,922
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	-	-
Total Deductions	-	-
Change in net position held in Trust for:		
Private-Purpose	(3,544)	42,922
Total Change in Net Position	(3,544)	42,922
Net Position - Beginning FY Balance	1,441,059	1,221,309
Net Position - End of Month	$1,437,515	$1,264,231

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Theodore Roosevelt Presidential Library

	September 30, 2021	September 30, 2020
Fiduciary Net Position		
Assets:		
Cash	$132,867	$133,562
Interest receivable	(70,868)	(3,509)
Investments	55,686,292	15,310,171
Total Assets	55,748,291	15,440,224
Liabilities:		
Accounts payable	-	315
Total Liabilities	-	315
Net Position:		
Net position restricted	55,748,291	15,439,909
Total Net Position	$55,748,291	$15,440,224
Changes in Fiduciary Net Position		
Additions:		
Contributions:		
Donations	$17,500,000	$0
Total Contributions	17,500,000	0
Investment Income:		
Net change in fair value of investments	393,195	451,981
Interest	262,823	71,199
Less investment expense	5,128	2,014
Net Investment Income	650,890	521,166
Miscellaneous Income	24	36
Total Additions	$17,505,152	$521,202
Deductions:		
Payments in accordance with Trust agreement	$0	$0
Administrative expenses	62,928	315
Total Deductions	62,928	315
Change in net position held in Trust for:		
Private-Purpose	17,568,080	521,517
Total Change in Net Position	17,568,080	521,517
Net Position - Beginning FY Balance	38,446,695	14,918,706
Net Position - End of Month	$56,014,775	$15,440,223

RE: Investment Updates
(No Action Requested)

Portfolio Rebalancing Updates

Since the November Board meeting, several capital calls were executed or are scheduled to be executed within 30 days:

- Angelo Gordon DL IV $17.5M
- Ares Pathfinder $10M
- GCM Private Equity, $5.1M
- GCM Secondary, $29M on 12/15
- JPM Infrastructure, $130M on 1/3/22
- Harrison Street Core Property, $60.6M on 1/5/22

When all capital calls are made, unfunded commitments will stand at $573.7M. These are:

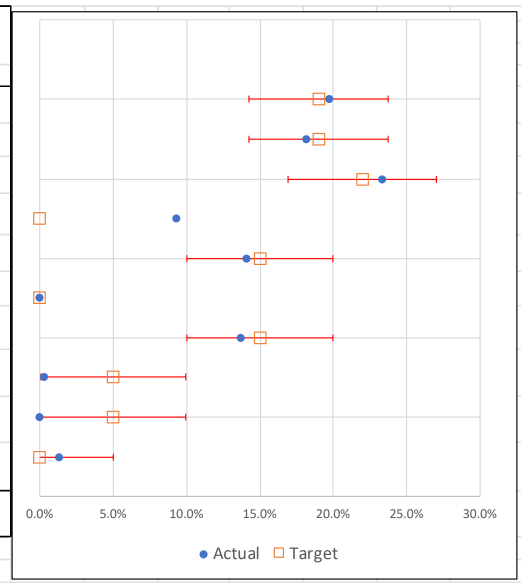
1. Apollo Accord Fund, $84.8M
2. Varde Dislocation Fund, $42.5M
3. GCM Private Equity, $110M
4. ARES Pathfinder Fund, $64.5M
5. Angelo Gordon DL IV, $25M
6. Owl Rock Diversified Lending, $56.5M
7. GCM Secondary Opportunities Fund, $121M
8. Harrison Street Core Property Fund LP, $69.4M

Asset Allocation

The table below shows the status of the permanent trusts' asset allocation as of Dec.14, 2021. The figures provided are unaudited.

By January 5, 2022, the Transition Account will be reduced to $351M once all capital calls listed above are funded.

As of December 14, 2021	Market Value $	Actual	Target	Lower Range	Upper Range
Broad US Equity	1,205,887,836.15	19.7%	19.0%	14.0%	24.0%
Broad Int'l Equity	1,111,502,172.45	18.2%	19.0%	14.0%	24.0%
Fixed Income	1,426,297,285.71	23.3%	22.0%	17.0%	27.0%
Transition Account	570,771,509.62	9.3%	0.0%	-5.0%	5.0%
Absolute Return	863,971,833.91	14.1%	15.0%	10.0%	20.0%
DIS	-	0.0%	0.0%	-5.0%	5.0%
Real Estate	839,841,995.00	13.7%	15.0%	10.0%	20.0%
Private Equity (Grosvenor)	21,131,648.31	0.3%	5.0%	0.0%	10.0%
Private Infrastructure (JPM-Infra)	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments (Varde & Apollo)	80,533,743.00	1.3%	0.0%	-5.0%	5.0%
Portfolio Total	6,119,938,024.15	100.0%			



RE: Energy Infrastructure and Impact Office
Quarterly Program Report
(No Action Requested)

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 4 grants with a balance of $297,596.76 as of December 7, 2021. The following shows grant activity for the last six months:

Oil and Gas Impact Grant Fund	Grants with balances	Current Balance Obligated to Grants
6/7/2021	9	$972,069.49
9/7/2021	6	$794,932.56
12/7/2021	4	$297,596.76

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
December 21, 2021

RE: March Investment Reports – 3rd Quarter 2021
(No Action Requested)

Josh Kevan from RVK will review the performance of the Board of University and School Land's (Board) investment program for the period ending September 30, 2021 and discuss current market conditions.

The first report to be reviewed was prepared by RVK to enable the Board to monitor and evaluate the collective performance of the permanent trusts' investments and the performance of individual managers within the program. In order to provide an overview of the program and highlight critical information, an executive summary has been incorporated into the Board report.

Next, Josh will touch on the performance of the Ultra-Short portfolio in which the Strategic Investment and Improvements Fund, the Coal Development Trust Fund and the Capitol Building Fund are invested.

Attachment 1: RVK Permanent Trust Fund Performance Analysis Report

Investment Performance Analysis

North Dakota Board of University and School Lands

Period Ended: September 30, 2021

I. Capital Markets Review

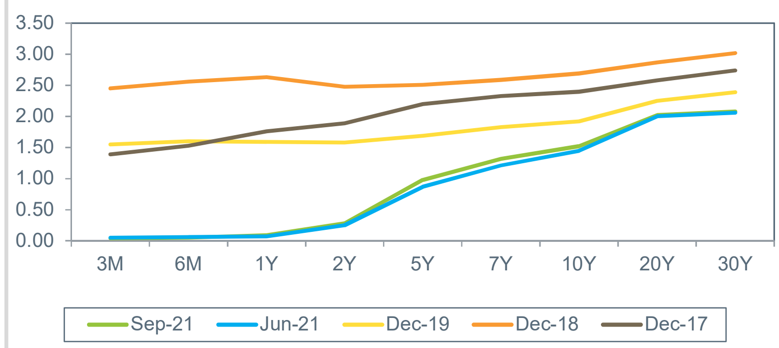
Third Quarter Economic Environment

Key Economic Indicators

Persistent inflationary pressures, disrupted supply chains, stalled fiscal negotiations, and the continued spread of the delta variant, all contributed to a quarter of mixed results for risk assets. In addition, heightened concerns over an increasingly stringent regulatory regime in China, combined with the debt restructuring of its second-largest property developer, led to a down quarter for emerging markets with volatility spreading to other regions as well. US markets outperformed on average, though were roughly flat. Investor sentiment was aided by a strong corporate earnings environment amid continued support from the Federal Reserve, along with improvement in some economic fundamentals. Globally, an uneven economic recovery continued, evidenced by labor market conditions and inflation readings showing mixed indications of progress. The September US non-farm payrolls report indicated a weaker than anticipated 194,000 added jobs, although past months were revised higher. The unemployment rate dropped to 4.8%, compared to 5.9% at the start of the quarter, but this decrease was largely driven by a declining labor force participation rate. The core PCE price index, the Federal Reserve's preferred measure for inflation, ran at a 30 year high based on the reading in August. Wage growth similarly rose higher in September with average hourly pay increasing 4.6% year-over-year. Overall, global growth forecasts remained relatively consistent with recent quarters.

Economic Indicators	Sep-21		Jun-21	Dec-19	Dec-17	20 Yr
Federal Funds Rate (%)	0.06	▼	0.08	1.55	1.33	1.71
10 Year US Treasury Yield	1.52	▲	1.45	1.92	2.40	5.12
30 Year US Treasury Yield	2.08	▲	2.06	2.39	2.74	5.46
Consumer Price Index YoY (Headline) (%)	5.4	–	5.4	1.4	2.3	2.2
Unemployment Rate (%)	4.8	▼	5.9	7.8	3.7	5.9
Real Gross Domestic Product YoY (%)	4.9		12.2	-2.3	2.7	N/A
PMI - Manufacturing	61.1	▲	60.6	55.7	59.5	52.5
US Dollar Total Weighted Index	114.99	▲	112.85	114.67	110.08	103.03
WTI Crude Oil per Barrel ($)	75.0	▲	73.5	61.1	60.4	62.1

Treasury Yield Curve (%)

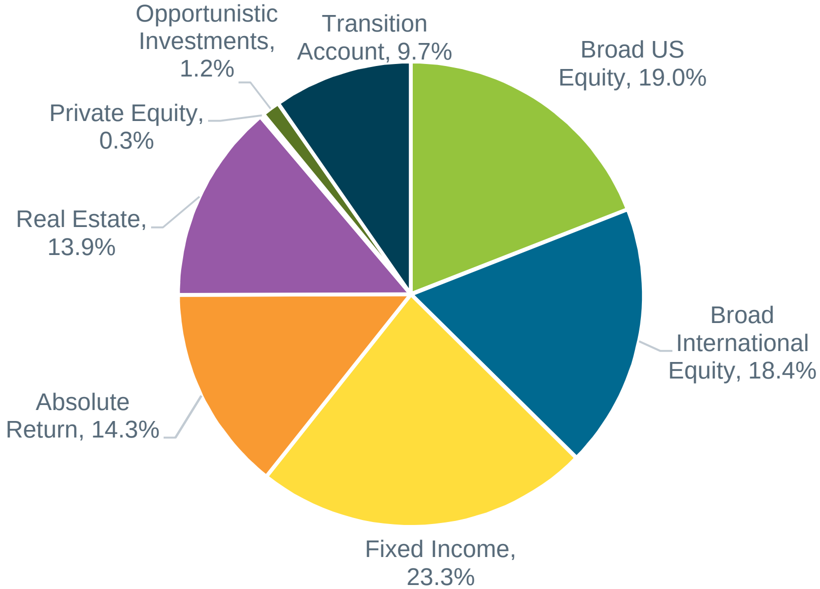


Market Performance (%)	QTD	CYTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	20 Yr
US Large Cap Equity	0.58	15.92	30.00	15.99	16.90	16.63	10.37	9.51
US Small Cap Equity	-4.36	12.41	47.68	10.54	13.45	14.63	9.16	10.29
Developed International Equity	-0.45	8.35	25.73	7.62	8.81	8.10	4.10	6.55
Developed International Small Cap Equity	0.90	10.02	29.02	9.05	10.38	10.73	6.35	10.27
Emerging Markets Equity	-8.09	-1.25	18.20	8.58	9.23	6.09	5.68	10.97
US Aggregate Bond	0.05	-1.56	-0.90	5.35	2.94	3.01	4.17	4.33
3 Month US Treasury Bill	0.02	0.04	0.07	1.18	1.16	0.63	1.00	1.32
US Real Estate	6.59	13.11	14.59	7.05	7.50	9.92	6.51	7.90
Real Estate Investment Trusts (REITs)	0.98	23.15	37.39	10.01	6.83	11.27	6.51	10.22
Commodities	6.59	29.13	42.29	6.86	4.54	-2.66	-2.15	1.55

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. Real Gross Domestic Product YoY (%) is available quarterly. Real estate is reported quarterly; QTD returns are shown as "0.00" on interim-quarter months and until available. Market performance is representative of broad asset class index returns. Please see the addendum for indices used for each asset class.

II. Total Fund

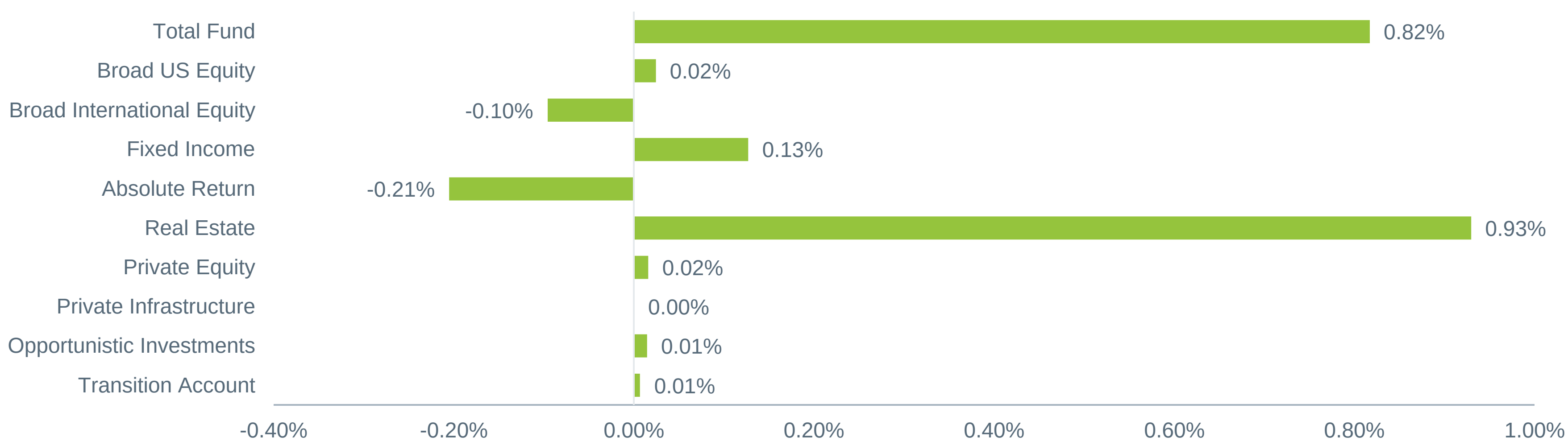
Asset Allocation



Asset Allocation vs. Target Allocation

	Asset Allocation ($000)	Asset Allocation (%)	Target Allocation (%)
Total Fund	6,063,406	100.00	100.00
Broad US Equity	1,155,008	19.05	19.00
Broad International Equity	1,113,688	18.37	19.00
Fixed Income	1,410,124	23.26	22.00
Absolute Return	866,646	14.29	15.00
Real Estate	839,842	13.85	15.00
Private Equity	15,994	0.26	5.00
Private Infrastructure	-	-	5.00
Opportunistic Investments	75,784	1.25	-
Transition Account	586,321	9.67	-

Total Fund Performance Attribution - FYTD



Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding.

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	**0.82**	**0.82**	**8.67**	**18.35**	**7.13**	**7.18**	**5.78**	**7.37**	**6.78**	**08/01/1995**
Target Allocation Index (Net)	0.26	0.26	7.88	17.59	9.33	8.57	7.10	8.57	N/A	
Difference	0.56	0.56	0.79	0.76	-2.20	-1.39	-1.32	-1.20	N/A	
Broad US Equity	**0.23**	**0.23**	**15.49**	**34.07**	**15.82**	**16.89**	**14.00**	**15.76**	**15.40**	**07/01/2009**
Russell 3000 Index	-0.10	-0.10	14.99	31.88	16.00	16.85	13.93	16.60	15.80	
Difference	0.33	0.33	0.50	2.19	-0.18	0.04	0.07	-0.84	-0.40	
Broad International Equity	**-0.49**	**-0.49**	**9.94**	**28.36**	**8.39**	**8.69**	**5.64**	**8.20**	**7.20**	**07/01/2009**
MSCI ACW Ex US Index (USD) (Net)	-2.99	-2.99	5.90	23.92	8.03	8.94	5.68	7.48	7.27	
Difference	2.50	2.50	4.04	4.44	0.36	-0.25	-0.04	0.72	-0.07	
Fixed Income	**0.51**	**0.51**	**1.42**	**4.48**	**5.67**	**3.66**	**3.65**	**3.78**	**5.54**	**08/01/1995**
Global Fixed Income Custom Index	0.07	0.07	-1.07	0.20	5.53	3.18	3.37	3.20	N/A	
Difference	0.44	0.44	2.49	4.28	0.14	0.48	0.28	0.58	N/A	
Bloomberg US Agg Bond Index	0.05	0.05	-1.56	-0.90	5.35	2.94	3.26	3.01	5.11	
Difference	0.46	0.46	2.98	5.38	0.32	0.72	0.39	0.77	0.43	
Absolute Return	**-1.40**	**-1.40**	**7.90**	**17.87**	**5.15**	**5.09**	**3.63**	**N/A**	**3.19**	**07/01/2014**
Absolute Return Custom Index	-0.63	-0.63	6.12	16.33	9.98	9.21	7.51	8.55	7.00	
Difference	-0.77	-0.77	1.78	1.54	-4.83	-4.12	-3.88	N/A	-3.81	
Real Estate	**7.09**	**7.09**	**13.94**	**14.78**	**6.51**	**7.60**	**N/A**	**N/A**	**8.13**	**07/01/2015**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	7.26	
Difference	0.68	0.68	1.53	1.14	0.38	1.04	N/A	N/A	0.87	
Private Equity	**6.10**	**6.10**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**8.03**	**04/01/2021**
Cambridge US Prvt Eq Index	0.00	0.00	24.50	39.06	19.19	18.64	15.33	15.85	12.95	
Difference	6.10	6.10	N/A	N/A	N/A	N/A	N/A	N/A	-4.92	
Opportunistic Investments	**1.15**	**1.15**	**9.38**	**29.46**	**N/A**	**N/A**	**N/A**	**N/A**	**34.43**	**07/01/2020**

Real Estate composite and index performance is available on a quarterly basis.

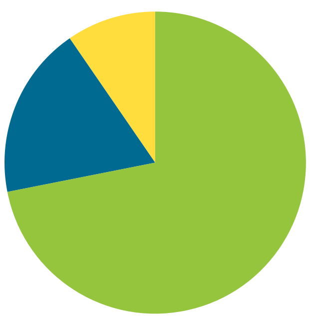
Performance shown is net of fees. Composite inception dates are based on availability of data for each asset class. Please see the Addendum for custom index definitions. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Fiscal year ends 06/30. Q3 performance for the Cambridge US Prvt Eq Index is currently unavailable, and a 0.00% return is assumed.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Broad US Equity	**0.23**	**0.23**	**15.49**	**34.07**	**15.82**	**16.89**	**14.00**	**15.76**	**15.40**	**07/01/2009**
Russell 3000 Index	-0.10	-0.10	14.99	31.88	16.00	16.85	13.93	16.60	15.80	
Difference	0.33	0.33	0.50	2.19	-0.18	0.04	0.07	-0.84	-0.40	
State Street Russell 1000 Index SL (CF)	**0.20**	**0.20**	**15.17**	**30.94**	**16.40**	**N/A**	**N/A**	**N/A**	**16.71**	**06/01/2017**
Russell 1000 Index	0.21	0.21	15.19	30.96	16.43	17.11	14.09	16.76	16.74	
Difference	-0.01	-0.01	-0.02	-0.02	-0.03	N/A	N/A	N/A	-0.03	
State Street Russell Mid Cap Index (SA)	**-0.92**	**-0.92**	**15.17**	**38.05**	**14.21**	**N/A**	**N/A**	**N/A**	**14.14**	**06/01/2017**
Russell Mid Cap Index	-0.93	-0.93	15.17	38.11	14.22	14.39	12.15	15.52	14.15	
Difference	0.01	0.01	0.00	-0.06	-0.01	N/A	N/A	N/A	-0.01	
NT Small Cap Core (SA)	**0.33**	**0.33**	**17.31**	**52.21**	**12.90**	**16.58**	**13.59**	**15.26**	**11.60**	**07/01/2014**
Russell 2000 Index	-4.36	-4.36	12.41	47.68	10.54	13.45	11.90	14.63	10.30	
Difference	4.69	4.69	4.90	4.53	2.36	3.13	1.69	0.63	1.30	

Asset Allocation by Manager

$1,155,007,591



	Market Value ($)	Allocation (%)
State Street Russell 1000 Index SL (CF)	830,500,678	71.90
NT Small Cap Core (SA)	213,562,401	18.49
State Street Russell Mid Cap Index (SA)	110,944,513	9.61

Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30.

RVK

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Broad International Equity	**-0.49**	**-0.49**	**9.94**	**28.36**	**8.39**	**8.69**	**5.64**	**8.20**	**7.20**	**07/01/2009**
MSCI ACW Ex US Index (USD) (Net)	-2.99	-2.99	5.90	23.92	8.03	8.94	5.68	7.48	7.27	
Difference	2.50	2.50	4.04	4.44	0.36	-0.25	-0.04	0.72	-0.07	
State Street World Ex US Index (CF)	**-0.65**	**-0.65**	**9.21**	**26.50**	**7.81**	**8.82**	**5.62**	**N/A**	**4.57**	**07/01/2014**
MSCI Wrld Ex US Index (USD) (Net)	-0.66	-0.66	9.19	26.50	7.87	8.88	5.69	7.88	4.63	
Difference	0.01	0.01	0.02	0.00	-0.06	-0.06	-0.07	N/A	-0.06	

Asset Allocation by Manager

$1,113,687,891

	Market Value ($)	Allocation (%)
State Street World Ex US Index (CF)	659,284,490	59.2
QMA Int'l Sm Cap Equity (CF)	215,233,275	19.3
DFA Emg Mkts Core Eq;I (DFCEX)	121,917,782	10.9
Harding Loevner:IEM;IZ (HLEZX)	117,252,344	10.5

Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. In Q3, QMA Int'l Sm Cap Equity, DFA Emg Mkts Core Eq;I and QMA Int'l Sm Cap Equity were liquidated. Market value shown consist of uninvested cash.

RVK

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income	**0.51**	**0.51**	**1.42**	**4.48**	**5.67**	**3.66**	**3.65**	**3.78**	**5.54**	**08/01/1995**
Global Fixed Income Custom Index	0.07	0.07	-1.07	0.20	5.53	3.18	3.37	3.20	N/A	
Difference	0.44	0.44	2.49	4.28	0.14	0.48	0.28	0.58	N/A	
Bloomberg US Agg Bond Index	0.05	0.05	-1.56	-0.90	5.35	2.94	3.26	3.01	5.11	
Difference	0.46	0.46	2.98	5.38	0.32	0.72	0.39	0.77	0.43	
Payden & Rygel Long Term (SA)	**0.15**	**0.15**	**-0.84**	**0.70**	**5.66**	**3.68**	**3.81**	**3.92**	**5.73**	**08/01/1995**
Bloomberg US Agg Bond Index	0.05	0.05	-1.56	-0.90	5.35	2.94	3.26	3.01	5.11	
Difference	0.10	0.10	0.72	1.60	0.31	0.74	0.55	0.91	0.62	
JP Morgan Core Bond (SA)	**0.07**	**0.07**	**-0.28**	**0.24**	**4.70**	**2.82**	**2.93**	**N/A**	**2.55**	**08/01/2012**
JP Morgan FI Custom Index	0.05	0.05	-0.49	-0.01	4.77	2.68	2.80	2.56	2.37	
Difference	0.02	0.02	0.21	0.25	-0.07	0.14	0.13	N/A	0.18	
Loomis Sayles Credit Asset (SA)	**0.65**	**0.65**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**3.23**	**04/01/2021**
Loomis Sayles CA Custom Index	0.50	0.50	1.59	5.74	6.53	5.11	4.92	5.55	3.34	
Difference	0.15	0.15	N/A	N/A	N/A	N/A	N/A	N/A	-0.11	
AG Direct Lending III LP	**2.92**	**2.92**	**10.41**	**15.00**	**10.34**	**N/A**	**N/A**	**N/A**	**10.07**	**09/01/2018**
CS Lvg'd Loan Index	1.13	1.13	4.65	8.46	4.09	4.64	4.25	5.04	4.20	
Difference	1.79	1.79	5.76	6.54	6.25	N/A	N/A	N/A	5.87	
AG Direct Lending IV LP	**1.83**	**1.83**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**9.71**	**06/01/2021**
CS Lvg'd Loan Index	1.13	1.13	4.65	8.46	4.09	4.64	4.25	5.04	1.55	
Difference	0.70	0.70	N/A	N/A	N/A	N/A	N/A	N/A	8.16	

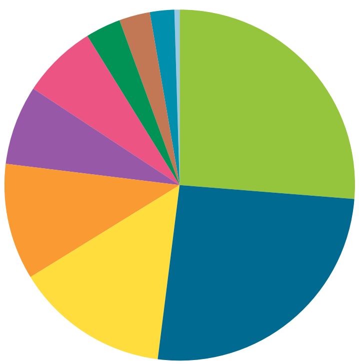
Performance shown is net of fees. The Global Fixed Income Custom Index currently consists of the Bloomberg US Unv Bond Index. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Fiscal year ends 06/30. Market values for Direct Lending and Private Credit are as of previous quarter end and adjusted for subsequent cash flows until the current quarter's valuations are available. In Q3, Brandywine Glbl Opp Fixed Income was liquidated. Market value shown consist of uninvested cash. Schroders Securitized Credit transitioned into Schroders Flexible Secured Income.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Ares Pathfinder Fund LP	**7.18**	**7.18**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**86.74**	**03/01/2021**
Schroders Flexible Secured Income (SA)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.19**	**09/01/2021**
3 Month LIBOR Index (USD)+1.75%	0.47	0.47	1.46	1.96	3.24	3.22	2.91	2.66	0.15	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.04	
ND Land - PTF Cash (SA)	**0.03**	**0.03**	**0.04**	**0.05**	**1.16**	**N/A**	**N/A**	**N/A**	**1.24**	**07/01/2017**
ICE BofAML 3 Mo US T-Bill Index	0.02	0.02	0.04	0.07	1.18	1.16	0.87	0.63	1.27	
Difference	0.01	0.01	0.00	-0.02	-0.02	N/A	N/A	N/A	-0.03	
FLP (Loans)	**1.17**	**1.17**	**3.01**	**4.12**	**4.50**	**5.19**	**5.43**	**5.55**	**6.94**	**08/01/1995**

Asset Allocation by Manager

$1,410,123,930



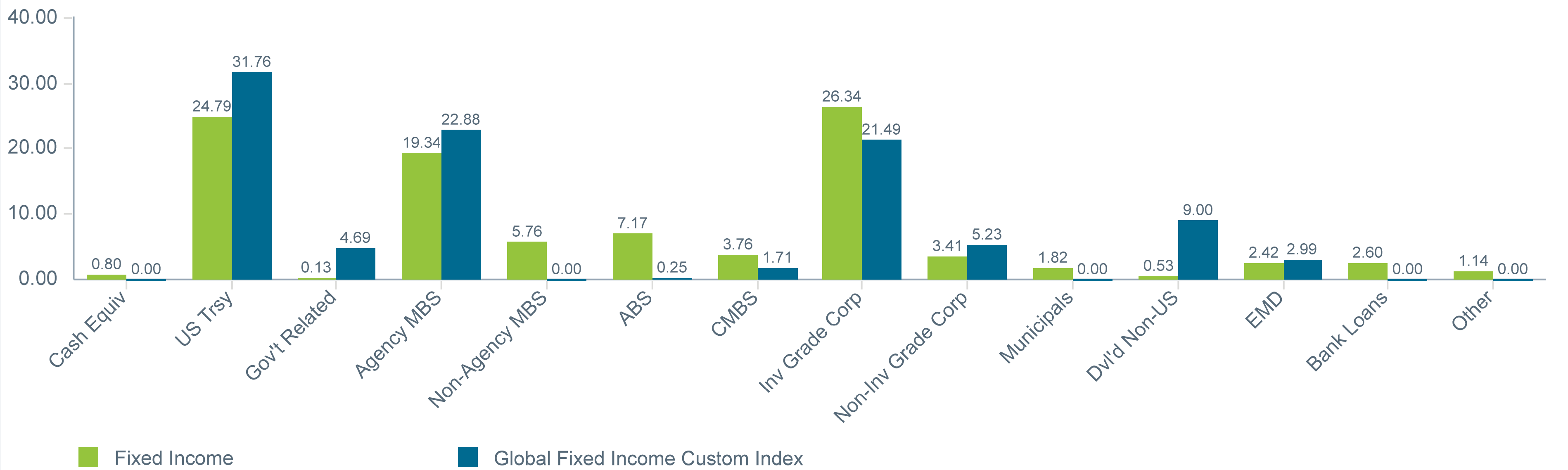
	Market Value ($)	Allocation (%)
Payden & Rygel Long Term (SA)	370,480,230	26.27
JP Morgan Core Bond (SA)	362,825,412	25.73
Schroders Flexible Secured Income (SA)	200,478,121	14.22
AG Direct Lending III LP	151,211,661	10.72
Loomis Sayles Credit Asset (SA)	103,174,580	7.32
Brandywine Glbl Opp Fixed Income (CF)	97,348,710	6.90
AG Direct Lending IV LP	45,764,008	3.25
ND Land - PTF Cash (SA)	40,153,060	2.85
Ares Pathfinder Fund LP	31,854,111	2.26
FLP (Loans)	6,829,506	0.48
Schroders Securitized Credit (SA)	4,532	0.00

Performance shown is net of fees. The Global Fixed Income Custom Index currently consists of the Bloomberg US Unv Bond Index. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Fiscal year ends 06/30. Market values for Direct Lending and Private Credit are as of previous quarter end and adjusted for subsequent cash flows until the current quarter's valuations are available. In Q3, Brandywine Glbl Opp Fixed Income was liquidated. Market value shown consist of uninvested cash. Schroders Securitized Credit transitioned into Schroders Flexible Secured Income.

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.85	6.49
Avg. Maturity	8.02	8.53
Avg. Quality	A2	N/A
Coupon Rate (%)	2.73	2.82
Yield To Worst (%)	1.97	1.89
Current Yield (%)	2.83	N/A

Sector Distribution (%)



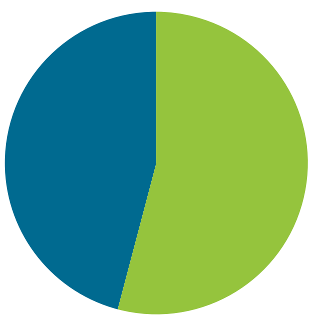
FLP Bank Loans, AG Direct Lending Fund III LP, AG Direct Lending Fund IV LP, ND Land - PTF Cash (SA), Schroders Flexible Secured Income and Ares Pathfinder Fund LP are excluded from portfolio characteristics and sector distribution. Allocation to "Other" consists of CDOs and Convertibles.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Absolute Return	**-1.40**	**-1.40**	**7.90**	**17.87**	**5.15**	**5.09**	**3.63**	**N/A**	**3.19**	**07/01/2014**
Absolute Return Custom Index	-0.63	-0.63	6.12	16.33	9.98	9.21	7.51	8.55	7.00	
Difference	-0.77	-0.77	1.78	1.54	-4.83	-4.12	-3.88	N/A	-3.81	
GMO:Bchmk-Fr All;IV (GBMBX)	**-2.01**	**-2.01**	**3.46**	**8.99**	**2.57**	**3.61**	**2.48**	**N/A**	**2.03**	**07/01/2014**
60% MSCI ACW (Net)/40% Bbrg Gbl Agg Idx	-0.97	-0.97	4.86	15.48	9.55	8.83	7.00	7.99	6.36	
Difference	-1.04	-1.04	-1.40	-6.49	-6.98	-5.22	-4.52	N/A	-4.33	
PIMCO:All Ast Ath;Inst (PAUIX)	**-0.87**	**-0.87**	**11.96**	**26.61**	**7.34**	**5.61**	**3.49**	**N/A**	**2.81**	**07/01/2014**
All Asset Custom Index (Eql Wtd)	0.21	0.21	3.94	9.50	7.57	6.61	5.59	6.13	5.23	
Difference	-1.08	-1.08	8.02	17.11	-0.23	-1.00	-2.10	N/A	-2.42	

Asset Allocation by Manager

$866,645,666



	Market Value ($)	Allocation (%)
PIMCO:All Ast Ath;Inst (PAUIX)	468,909,294	54.11
GMO:Bchmk-Fr All;IV (GBMBX)	397,736,372	45.89

Performance shown is net of fees. The Absolute Return Custom Index consists of 60% MSCI ACW IM Index (USD) (Net) and 40% Bloomberg US Agg Bond Index. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Real Estate	**7.09**	**7.09**	**13.94**	**14.78**	**6.51**	**7.60**	**N/A**	**N/A**	**8.13**	**07/01/2015**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	7.26	
Difference	0.68	0.68	1.53	1.14	0.38	1.04	N/A	N/A	0.87	
Morgan Stanley Prime Property (CF)	**5.83**	**5.83**	**10.84**	**12.48**	**6.71**	**7.46**	**N/A**	**N/A**	**8.15**	**07/01/2015**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	7.26	
Difference	-0.58	-0.58	-1.57	-1.16	0.58	0.90	N/A	N/A	0.89	
UBS Trumbull Property LP (CF)	**6.09**	**6.09**	**10.21**	**7.97**	**1.20**	**2.95**	**N/A**	**N/A**	**4.10**	**07/01/2015**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	7.26	
Difference	-0.32	-0.32	-2.20	-5.67	-4.93	-3.61	N/A	N/A	-3.16	
Jamestown Premier Property (CF)	**1.99**	**1.99**	**-2.81**	**-4.48**	**-3.15**	**1.96**	**N/A**	**N/A**	**3.54**	**07/01/2015**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	7.26	
Difference	-4.42	-4.42	-15.22	-18.12	-9.28	-4.60	N/A	N/A	-3.72	
Prologis Targeted US Logistics LP (CF)	**11.30**	**11.30**	**30.88**	**38.55**	**20.21**	**19.87**	**N/A**	**N/A**	**19.19**	**04/01/2016**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	6.66	
Difference	4.89	4.89	18.47	24.91	14.08	13.31	N/A	N/A	12.53	
JP Morgan US RE Inc & Grth LP (CF)	**7.39**	**7.39**	**12.90**	**11.67**	**4.39**	**5.56**	**N/A**	**N/A**	**5.66**	**07/01/2016**
NCREIF ODCE Index (AWA) (Net)	6.41	6.41	12.41	13.64	6.13	6.56	7.93	8.92	6.60	
Difference	0.98	0.98	0.49	-1.97	-1.74	-1.00	N/A	N/A	-0.94	

Asset Allocation by Manager

$839,841,995

	Market Value ($)	Allocation (%)
Morgan Stanley Prime Property (CF)	242,658,583	28.89
Prologis Targeted US Logistics LP (CF)	196,943,796	23.45
UBS Trumbull Property LP (CF)	188,243,770	22.41
JP Morgan US RE Inc & Grth LP (CF)	148,228,568	17.65
Jamestown Premier Property (CF)	63,767,278	7.59

Performance shown is net of fees. Real Estate manager and index performance is available on a quarterly basis. Interim period performance assumes a 0.00% return. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30.

RVK

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Private Equity	**6.10**	**6.10**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**8.03**	**04/01/2021**
Cambridge US Prvt Eq Index	0.00	0.00	24.50	39.06	19.19	18.64	15.33	15.85	12.95	
Difference	6.10	6.10	N/A	N/A	N/A	N/A	N/A	N/A	-4.92	
GCM Grosvenor BUSL LP	**6.10**	**6.10**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**8.03**	**04/01/2021**

Asset Allocation by Manager

September 30, 2021 : $15,993,977

	Market Value ($)	Allocation (%)
GCM Grosvenor BUSL LP	15,993,977	100.00

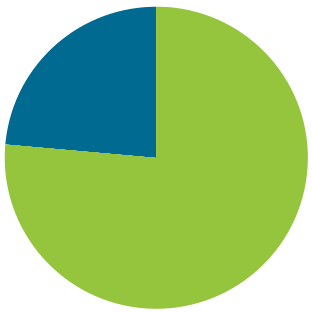
Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. Market values for Private Equity is as of previous quarter end and adjusted for subsequent cash flows until the current quarter's valuations are available.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Opportunistic Investments	1.15	1.15	9.38	29.46	N/A	N/A	N/A	N/A	34.43	07/01/2020
Varde Dislocation Fund LP	-0.48	-0.48	7.19	31.63	N/A	N/A	N/A	N/A	33.87	07/01/2020
Apollo Accord Fund IV LP	6.81	6.81	18.82	26.35	N/A	N/A	N/A	N/A	26.35	10/01/2020

Asset Allocation by Manager

$75,783,742



	Market Value ($)	Allocation (%)
Varde Dislocation Fund LP	57,914,165	76.42
Apollo Accord Fund IV LP	17,869,578	23.58

Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. Market values for Opportunistic Investments are as of previous quarter end and adjusted for subsequent cash flows until the current quarter's valuations are available.

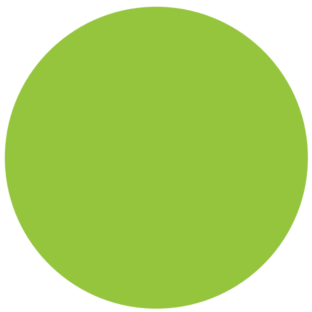
RVK

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
NT STIF (Transition Account)	**0.05**	**0.05**	**0.16**	**0.26**	**N/A**	**N/A**	**N/A**	**N/A**	**0.28**	**06/01/2020**
ICE BofAML 3 Mo US T-Bill Index	0.02	0.02	0.04	0.07	1.18	1.16	0.87	0.63	0.09	
Difference	0.03	0.03	0.12	0.19	N/A	N/A	N/A	N/A	0.19	

Asset Allocation by Manager

$586,320,785



	Market Value ($)	Allocation (%)
NT STIF (Transition Account)	586,320,785	100.00

Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30.

III. Addendum

Fund Name	Vintage	Asset Class	Commitment ($)	Paid In Capital ($)	Distributions ($)	Valuation ($)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
AG Direct Lending Fund III, LP	2018	Private Credit - Direct Lending	150,000,000	138,000,000	21,807,386	151,211,661	10.87	N/A	4.62	1.25
AG Direct Lending Fund IV, LP	2020	Private Credit - Direct Lending	100,000,000	43,148,632	573,704	45,764,008	N/M	N/A	N/M	1.07
Apollo Accord Fund IV, L.P.	2020	Private Credit - Opportunistic Credit	100,000,000	18,500,000	3,287,460	17,869,578	33.68	N/A	-0.02	1.14
Ares Pathfinder Fund, LP	2020	Private Credit - Specialty Finance	100,000,000	25,594,154	308,151	31,854,111	N/M	N/A	N/M	1.26
Varde Dislocation Fund, LP	2020	Private Credit - Distressed/Special Situations	100,000,000	50,000,000	100,849	57,914,165	22.71	N/A	-0.03	1.16
Grosvenor - BUSL, LP	2021	Private Equity - Multi-Stage	130,000,000	14,891,938	0	15,993,977	N/M	N/A	N/M	1.07
			680,000,000	**290,134,724**	**26,077,549**	**320,607,499**	**14.29**		**3.94**	**1.19**

Certain valuations (marked with a '*') are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the Bloomberg US Agg Bond Index assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.

RVK

Performance Related Comments

- Manager inception dates shown represent the first full month following initial funding.
- RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Prior historical data was provided by North Dakota Board of University and School Lands.
- Real Estate composite, manager, and index performance are available on a quarterly basis. Market values are as of the most recent quarter-end and adjusted for subsequent cash flows. Interim period performance assumes a 0.00% return.
- Indices show N/A for since inception returns when the fund contains more history than the corresponding benchmark.
- As of 07/2014, composite and manager performance is provided and calculated by RVK.Net performance for FLP bank loans represent Fees Payable.
- During 03/2021 JPM FI Intermediate Bond transitioned from intermediate duration to full duration core mandate.
- During 08/2021 Schroders Securitized Credit transitioned into Schroders Flexible Secured Income.
- RVK cautions that the interpretation of time-weighted returns on non-marketable investments such as Private Equity, Private Real Estate, and Private Credit is imperfect at best, and can potentially be misleading.

Index Comments

- The Target Allocation Index (Net) is a static custom index that is calculated monthly and consists of:
    - From 05/2020 through present: 19% Russell 3000 Index, 19% MSCI ACW Ex US Index (USD) (Net), 22% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 15% Absolute Return Index, 5% Cambridge US Private Equity Index, and 5% MSCI World Infrastructure Index.
    - From 07/2019 through 04/2020: 18.5% Russell 3000 Index, 18.5% MSCI ACW Ex US Index (USD) (Net), 23% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 15% Absolute Return Custom Index, and 10% DIS Custom Index.
    - From 02/2018 through 06/2019: 17% Russell 3000 Index, 17% MSCI ACW Ex US Index (USD) (Net), 21% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 20% Absolute Return Custom Index, and 10% DIS Custom Index.
    - From 07/2016 through 01/2018: 17% Russell 3000 Index, 15% MSCI ACW Ex US Index (USD) (Net), 23% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 20% Absolute Return Custom Index, and 10% DIS Custom Index.
    - From 04/2016 through 06/2016: 17.6% Russell 3000 Index, 15.5% MSCI ACW Ex US Index (USD) (Net), 23.8% Global Fixed Income Custom Index, 12% NCREIF ODCE Index (AWA) (Net), 20.7% Absolute Return Custom Index, and 10.4% DIS Custom Index.
    - From 01/2016 through 03/2016: 17.7% Russell 3000 Index, 15.6% MSCI ACW Ex US Index (USD) (Net), 25.3% Global Fixed Income Custom Index, 10% NCREIF ODCE Index (AWA) (Net), 21% Absolute Return Custom Index, and 10.4% DIS Custom Index.
    - From 10/2015 through 12/2015: 17.9% Russell 3000 Index, 15.9% MSCI ACW Ex US Index (USD) (Net), 25.5% Global Fixed Income Custom Index, 9% NCREIF ODCE Index (AWA) (Net), 21.1% Absolute Return Custom Index, and 10.6% DIS Custom Index.
    - From 07/2015 through 09/2015: 19.5% Russell 3000 Index, 17.4% MSCI ACW Ex US Index (USD) (Net), 26.2% Global Fixed Income Custom Index, 4.1% NCREIF ODCE Index (AWA) (Net), 22% Absolute Return Custom Index, and 10.8% DIS Custom Index.
    - From 07/2014 through 06/2015: The index was calculated monthly using beginning of month asset class weights applied to each corresponding primary benchmark return.
    - From 01/2013 through 06/2014: 18.7% Russell 1000 Index, 12.4% Russell 2500 Index, 7.5% FTSE EPRA/NAREIT US Index, 12.4% MSCI EAFE Index (USD) (Net), 33.3% Bloomberg US Agg Bond Index, 0.70% CS Lvg'd Loan Index, 10% Bloomberg US Corp Hi Yld Index, and 5% Bloomberg Gbl Agg Ex USD Index (Hedged).
    - From 07/2009 through 12/2012: 15% Russell 1000 Index, 10% Russell 2500 Index, 6% FTSE EPRA/NAREIT US Index, 10% MSCI EAFE Index (USD) (Net), 32.3% Bloomberg US Agg Bond Index, 1.70% CS Lvg'd Loan Index, 10% Bloomberg US Corp Hi Yld Index, 5% Bloomberg Gbl Agg Ex USD Index (Hedged), and 10% ICE BofAML Cnvrt Bonds Index (All Qual).
- The Global Fixed Income Custom Index consists of the Bloomberg US Unv Bond Index. Prior to 03/2019, the index consisted of 75% Bloomberg US Unv Bond Index and 25% Bloomberg Multiverse Index.
- The Absolute Return Custom Index consists of 60% MSCI ACW IM Index (USD) (Net) and 40% Bloomberg US Agg Bond Index.

Cont.

The All Asset Custom Index (Eql Wtd) is an equal-weighted hybrid created independently by RVK specifically for PIMCO's All Asset strategies, and it consists of the following benchmarks:

1. Short Term Strategies: ICE BofAML 1 Yr T-Bill Index
2. US Core and Long Maturity Bond Strategies: Bloomberg US Agg Bond Index
3. EM and Gbl Bond Strategies: PIMCO GLADI Index*
4. Crdt Strategies: ICE BofAML US Hi Yld Master II Index
5. Inflation Related Strategies: Bloomberg US Trsy US TIPS Index
6. US Equity Strategies: Russell 3000 Index
7. Global Equity Strategies: MSCI ACW Index (USD) (Net)
8. Alternative Strategies: ICE BofAML 3 Mo US T-Bill Index + 3%

*Performance for the PIMCO Gbl Advantage Bond Index (London Close) prior to 01/01/2004 consists of the JPM EMBI Gbl Dvf'd Index (TR).

The asset class market performance is represented by the respective indices:

- US Large Cap Equity = S&P 500 Index (Cap weighted)
- US Small Cap Equity = Russell 2000 Index
- Developed International Equity = MSCI EAFE Index (USD) (Net)
- Developed International Small Cap Equity = MSCI EAFE Small Cap Index (USD) (Net)
- Emerging Markets Equity = MSCI Emerging Markets Index (USD) (Net)
- US Aggregate Bond = Bloomberg US Aggregate Bond Index
- 3 Month US Treasury Bill = ICE BofAML 3 Month US T-Bill Index
- US Real Estate = NCREIF ODCE Index (AWA) (Gross)
- Real Estate Investment Trust (REITs) = FTSE NAREIT Equity REITs Index (TR)
- Commodities = Bloomberg Commodities Index (TR)

PORTLAND BOISE CHICAGO NEW YORK

RVK

RE: Apollo Defined Return Fund

Over the last several months the Department of Trust Land's Staff (Staff) has reviewed options for generating greater returns in the fixed income asset class and to reduce the transition account balance. The first issue is well known given the ultra-low interest rate environment that prevails globally. The issue is compounded by the fact that most higher yielding private credit funds are closed-end, limited term funds that begin making distributions within a few months or a year after initial investment. This return of capital creates reinvestment risk, the risk of having to reinvest distributions at lower returns until a sufficient amount is accumulated to make a meaningful investment in a new or follow-on private credit fund.

The second issue of expediting the investment of capital in the transition account is related to the lack of capital calls within the opportunistic investment asset class and the slow pacing of calls in private equity and private infrastructure asset classes. In the last few months, we have sought to partially address these issues by adding a second private infrastructure manager and adding a private equity secondaries fund. Nevertheless, there will continue to be a slow pacing of private equity primary investments.

To address these issues Staff has engaged one of its best in class fixed income managers to customize a solution for the Permanent Trust Funds (PTFs). Apollo has agreed to create a new fund with an initial seed investment of $200 million, under highly favorable fee terms to the PTFs as the founding investor. Further, it's proposed that as distributions are made to the PTFs from its prior investment, those amounts will flow into the new fund, thus allowing for continuously investment with little cash drag and reinvestment risk.

Apollo is one of the best performing private credit managers and a top manager within RVK's database, and highly regarded by RVK's fixed income research team. Through June 30th this year Apollo Accord Fund IV has generated 11.24% net return in 2021 and 18.29% since inception 10/1/2020. The new fund has a target annual return of 8-12%. The PTFs made a $100 million commitment to Fund IV, of which less than $20 million has been called.

Recommendation: **The Board approve a $200 Million investment in the Apollo Defined Return Fund and allow for all distributions from the investment in Apollo Accord Fund IV to be reinvested into the Apollo Defined Return Fund; 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: Apollo Defined Return Fund Presentation

Memorandum

To	North Dakota Board of University and School Lands
From	RVK Private Credit Manager Research Team
Subject	Apollo Defined Return Fund Investment Due Diligence Memo
Date	December 2021

Executive Summary

The following is a review and due diligence memorandum for Apollo Defined Return Fund ("the Fund"), an unconstrained, opportunistic credit strategy offered by Apollo Global Management ("AGM" or "the Firm"). The Fund will focus on Apollo Credit's highest conviction investment themes across various market cycles by capitalizing on near- and long-term relative value opportunities, pivoting to the most attractive risk-adjusted opportunities as they arise. The Fund is expected to follow a relatively broad mandate by taking a multi-asset approach centered around five key strategy pillars – levered performing credit, dislocated credit, large scale origination, structured credit, and other origination strategies. Across these five key strategy pillars, the Fund expects to opportunistically deploy capital as appropriate investment opportunities are identified, dynamically pivoting across the five key strategy pillars in an effort to capitalize on differences in relative value between asset classes. Allocations across these five pillars will be informed by current market conditions and the risk-adjusted opportunity set available. For example, during periods of market stress, the Fund will look to scale deployment in dislocated credit by purchasing stressed, performing assets which sell-off for non-economic reasons. However, during periods of relatively lower volatility, the Fund will deploy capital in investments that are more idiosyncratic in nature and include levered performing credit, large scale origination, structured credit and other opportunistic credits.

The Apollo Defined Return Fund will benefit from Apollo's extensive research database and the superior technical market visibility and strong trading network made possible by their more than $300 billion global credit platform, which is one of the largest of its kind currently in operation. The core research team behind the Fund has remained stable, and collectively represents an exceptional level of experience and skill, with lead portfolio manager John Zito benefitting from 20 years of relevant investment experience.

Within a portfolio context, this strategy is expected to deliver strong risk-adjusted relative value while minimizing correlation to the overall market through its deep underwriting and strong credit selection ability, which is likely to augment the risk-adjusted returns achieved by the majority of credit portfolios across most market environments. In the context of the current market environment, the team's exceptional ability to identify superior select credits, made possible by the scale and breadth of the Apollo platform's trading activity, is likely to further augment returns.

At this time, Apollo expects to make an evergreen version of this product available to investors in early 2022. In addition, the manager expects to enable North Dakota to directly roll previously uncalled capital associated with the Accord fund series into this product. Given its ability to exploit opportunities in private lending and heavily dislocated credit, these capital efficient augmentations to the existing Accord terms are expected to further enable the Fund to act as a capital efficient, low cost and less administratively burdensome mechanism by which investors can increase exposure to a wide range of credit-focused opportunities.

The Apollo Defined Return Fund is expected to employ fund-level leverage of 0.25x – 1.25x NAV once a leverage facility has been secured. It should be noted, however, that moderate leverage is also expected to be applied to a range of specific investments within the Fund, particularly within the levered performing credit vertical.

The Fund is targeting a net internal rate of return (“IRR”) of between 8% and 12%, representing the higher end of what can typically be achieved through investments in senior secured credit during most market environments.

Strengths/Merits

Significant Experience, Tenure and Depth: Apollo has participated in some level of credit market activity since the firm’s founding in 1990 and has successfully operated at significant scale across a wide range of credit market environments over the past three decades. The Firm’s global credit platform is currently comprised of 295 credit investment professionals managing $341 billion in assets as of September 30, 2021. Apollo’s credit business oversees more than 100 discrete funds or accounts across a broad set of investment strategies. We believe this level of experience and depth can lead to a skill advantage within its peer group in all aspects of the investment process, particularly with regard to originating compelling investment opportunities and conducting thorough underwriting. Recreating Apollo’s professional network would be extremely difficult for less established investment managers, and the barriers to entry in the less-travelled, niche markets in which Apollo participates are significant due to the inefficient nature of building up control positions in these large-scale borrowers and the need for direct sourcing capabilities in these areas. In addition, while conducting due diligence on its targeted investments, Apollo is frequently able to rely on its extensive proprietary industry research, which has been developed over decades of experience continually investing in the same industries. We believe this has resulted in more accurate analysis and more rigorous underwriting throughout Apollo’s investment process than would be possible for a less experienced investment manager.

We believe that the strength and scale of Apollo’s platform is especially important for this type of tactically oriented multi-credit product, where the strength, breadth and underlying resources of the associated investment platform are especially crucial elements needed for the consistent generation of added value and the achievement of high quality execution. Apollo, which benefits from large-scale deal flow across an especially wide range of credit investment types, is likely among the strongest possible candidates for the launch of this type of offering from the perspective of resources, sourcing access and market structure visibility. Given the significant time compression of credit dislocation cycles over the past 10-20 years, we believe that the importance of a well-resourced and broad platform that benefits from consistent, large-scale trading and origination activity has become even more vital for success in tactical credit investment decision-making over time, where detailed, preexisting knowledge of instrument types and borrower companies is often critical in order to take advantage of the credit market's ongoing evolution and periodic distortions in a timely and meaningful way.

Breadth Across Asset Classes: Apollo's strategy incorporates investments that reach across both the public and private credit spectrums and include several less efficient and less well-travelled niches within corporate debt, including structured products, dislocated credit, opportunistic credit and special situations. Although competition across many of these less heavily trafficked areas has meaningfully increased over the past several years, these investment types may still offer a premium compared to more mainstream components of the corporate debt landscape and are expected to allow Apollo to source its investments from a broader and more varied opportunity set than many of its peers in the public and private credit markets. Given the high levels of volatility that developed across public and private credit markets, as well as structured products in response to the pandemic outbreak during the spring of 2020, relevant experience in these niches could also act as an especially powerful advantage in the current market environment. Apollo's exposure to a range of less mainstream niches within corporate debt make this strategy a potentially effective diversifier within portfolios dominated by more traditional debt strategies.

Diverse Portfolio: The Apollo Defined Return Fund is expected to follow a relatively broad, unconstrained investment mandate by taking a multi-asset approach. The portfolio is expected to include public and private credit investments and be highly diverse across both position and industry, thereby reducing concentration risk on multiple fronts. While "over" diversification within an equity portfolio can reduce the impact of top performers, a highly diverse portfolio of debt, which faces limited upside, can often help mitigate losses without compromising expected returns. As such, this portfolio is expected to exhibit a relatively defensive posture compared to peer strategies that lack the same degree of portfolio diversification and invest more heavily in industries characterized by higher levels of volatility and higher correlation to market cycles.

Issues to Consider

First Time Fund: Although the investment team has invested in corporate credit at Apollo under a range of different mandates since 2011, the aggregation of these investment types through the Defined Return Fund is a new venture. As such, though the Fund's representative holdings have demonstrated strong added value during the periods in which they have existed, the fund series has not yet been active over the course of a full market cycle. As with any new investment product, this offering potentially represents a higher level of business and operational risk than what would typically be associated with a longer-tenured offering. However, this drawback is mitigated somewhat by the fact that many available multi credit funds currently raising capital share a similar status, with experienced investment teams running credit funds with limited or no past history. (The relative newness and less tested nature of the space is, in fact, one of the major driving forces strengthening RVK's extreme preference toward stable firms and experienced, top tier investment teams). Apollo's stable performance compared to that of many peers during past periods of market volatility, its existing credit resources, relevant team experience and high operational standards serve as important additional mitigating factors for this type of new product.

Lower Expected Returns vs. Dedicated Opportunistic Private Credit: As an offering with a primary focus on performing credit and corporate borrowers that generally benefit from strong fundamentals, the strategy is expected to have a lower absolute return profile than that of a classic private credit offering encompassing elements such as distressed borrowers and credit dislocation. Specifically, at this time the Apollo Defined Return Fund + is targeting a net IRR of 8 - 12%, compared to expected returns in the range of 15 - 20% for many true private credit offerings including distressed debt, opportunistic and special situations' strategies. However, we likewise expect the risk to which the Fund's investors are exposed to be commensurately lower, given its focus on large, high quality and well-established corporate borrowers. In spite of its lower levels of absolute return, we believe the strategy will provide one of the best expected risk-adjusted returns available to institutional credit investors at this time.

Moderate Leverage Use: While moderate leverage is expected to be applied to a range of specific investments within the Fund, particularly within the levered performing credit vertical, the Apollo Defined Return Fund is expected to also employ leverage at the overall Fund level of 0.25x – 1.25x NAV once a leverage facility is secured. This moderate use of leverage at the overall Fund level can potentially limit the strategy's expected returns and may result in lower quartile internal rates of return during bull markets. Specifically, at a time when many private credit offerings are utilizing leverage aggressively (such as 2x debt/equity), this difference in profile has the potential to result in muted returns compared to highly levered peers in the closed-end fund space if the credit cycle does not experience another downturn during the

Fund’s lifetime. As such, we do not recommend this Fund for investors with high tolerance for risk that are attempting to achieve private equity-like returns across their credit portfolios.

Investment Recommendation

RVK supports North Dakota Board of University and School Lands’ proposed commitment of $200 million to the Apollo Defined Return Fund, in order to provide added diversification to their current private credit investments and strengthen the portfolio’s ability to generate competitive returns across all phases of the market cycle. RVK believes that this commitment amount:

1. Is of sufficient size to meaningfully augment the portfolio’s absolute long-term risk-adjusted returns and allow it to more comprehensively benefit from a robust credit opportunity set, and;

2. Is sufficiently limited in size to control the portfolio’s exposure to single strategy risk and maintain an appropriate level of manager diversification across the portfolio’s private markets allocation.

As previously stated, we believe that the Apollo Defined Return Fund benefits from several strong, sustainable competitive advantages that should allow it to continue enjoying a risk-adjusted return advantage compared to most traditional private credit strategies over the course of the next market cycle and justifying its status as an addition to a less constrained, diversified private markets portfolio.

Summary of Key Terms

Fund	Apollo Defined Return Fund
Structure	An evergreen structure is expected to be made available to investors in early 2022
Targeted Return	8 - 12% net IRR
General Partner Commitment	2.5%, at minimum
Use of Leverage	Fund-level leverage expected to be 0.25x – 1.25x NAV once a leverage facility is secured; moderate leverage is also expected to be applied to a range of specific investments within the Fund

Firm Background

Apollo Global Management is one of the largest and longest tenured global alternative investment firms currently in operation. Founded in 1990 and with a total of $481 billion in assets under management as of September 30, 2021, Apollo has historically commanded a significant presence across a wide range of asset classes. Apollo benefits from significant resources due to its scale, with 2,035 employees, 631 of whom were dedicated investment professionals as of September 30, 2021. The firm is headquartered in New York but has 16 additional offices located across the globe, with a strong presence in Europe and Asia relative to most of its US-based peers.

Apollo operates its three primary business segments – Private Equity, Real Assets, and Credit – in an integrated manner as shown in Figure 1. Though the firm's activity originated in the private equity space, its credit business line represents the largest and fastest-growing component of Apollo at this time, and its continued growth and success is a firm-wide priority. As of September 30, 2021, Apollo's credit business encompassed $341 billion in total assets under management and was staffed by 295 investment professionals. The breadth, large scale and high trading volume of Apollo's credit platform has historically provided Apollo's suite of credit strategies with a differentiated ability to evaluate relative value across industries, asset classes and geographies, as well as a competitive advantage compared to smaller peers in executing discounted block trades of significant size with large counterparties.

Figure 1: Apollo Global Investing Platform

Firm Profile

Founded: 1990

AUM: ~$481 bn[1]

Employees: 2,035

Inv. Professionals: 631

Offices Worldwide: 17[3]

Private Equity

204 Investment Professionals[2]

$86 bn in AUM[1]

Credit

295 Investment Professionals

$341 bn in AUM[1]

Real Assets

132 Investment Professionals

$54 bn in AUM[1]

Key Attributes

Value-Oriented

Contrarian

Rigorous & Tenacious

Integrated Investment Platform

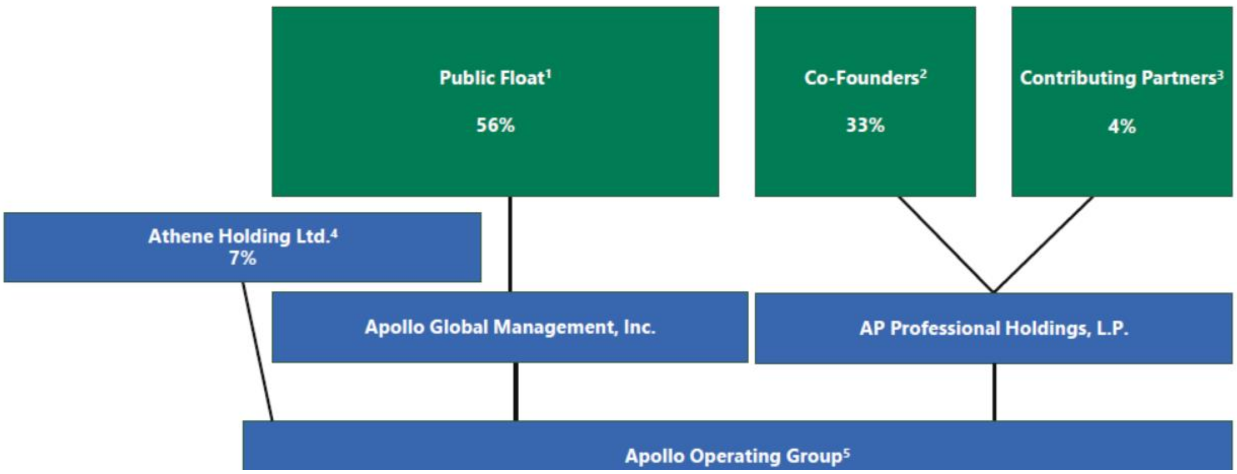
Opportunistic Across Market Cycles and Capital Structures

Global Footprint

Source: Apollo. As of 9/30/2021

Apollo Global Management is a publicly traded entity (ticker "APO"), with a market capitalization of approximately $30 billion. According to the firm's most recent 10-Q filing with the United States Securities and Exchange Commission, a substantial portion of APO shares are held by 11 of Apollo's senior executives, representing a significant vested interest in the firm across its top decision-makers. Figure 2 illustrates Apollo's ownership structure.

Figure 2: Apollo Ownership Structure



Source: Apollo. As of 11/3/2021

Much of Apollo's credit platform was built out in response to the exceptional opportunity set that surfaced during the financial crisis of 2008-2010, resulting in an overall profile tailored around rapid, outsized credit market dislocations such as those seen during the 2008 financial crisis, the 2016 correction in energy, and the pandemic-driven volatility that emerged in March of 2020. However, Apollo has participated in some level of credit market activity since the firm's founding and has successfully operated at significant scale across a wide range of credit market environments over the past three decades.

From its founding, Apollo's global credit platform has operated with a focus on risk-adjusted relative value and the deep underwriting of borrower fundamentals. As of September 30, 2021, Apollo's global credit platform included 295 investment professionals, with specializations broken down as shown in Figure 3. While the Apollo credit platform's focus has historically been on corporate credit opportunities, it also commands robust resources across not only tradeable corporate credit, but also subsets of the credit landscape such as structured credit, asset-backed securities and direct origination, which should provide abundant pockets of opportunity for the Fund, depending on where the most attractive risk-adjusted relative value arises across the public and private credit spectrum over the course of a full market cycle.

Figure 3: Apollo Global Credit Platform

Apollo Credit
$341 Billion in AUM & 295 Investment Professionals (1)
Jim Zelter, *Co-President and Chief Investment Officer of Credit*
Anthony Civale, *Co-Chief Operating Officer*
John Zito, *Senior Partner and Deputy Chief Investment Officer of Credit*

Corporate Fixed Income	Corporate Credit & Large Cap. Lending	Structured Credit	Consumer & Residential Credit	Direct Origination	Principal Structured Finance Group	Insurance Solutions Group (ISG) (2)
$99 billion in AUM 45 Professionals	$72 billion in AUM 70 Professionals	$31 billion in AUM 20 Professionals	$25 billion in AUM 24 Professionals	$28 billion in AUM 27 Professionals	$22 billion in AUM 13 Professionals	44 Professionals
Leadership						
Jim Hassett Leslie Mapondera Brigitte Posch	Robert Bittencourt Robert Givone Earl Hunt Christopher Lahoud Joseph Moroney James Vanek	Alan Kelly Bret Leas Mike Paniwozik	Nancy De Liban Rob Graham	Tanner Powell Gary Rothschild Howard Widra	Jamshid Ehsani	Jim Galowski (3) Jeff Jacobs Matt O'Mara Jasjit Singh
Strategies						
• Investment grade: public & private • Sovereign bonds • Emerging markets	• Senior secured loans • High yield • Event-driven • Multi-sector credit • Large corporate direct lending • Dislocated credit	• CLO liabilities & equity • Regulatory & solutions capital • Asset-backed securities • Fund & lender finance • Credit secondaries	• Residential real estate – RMBS & whole loans • Consumer whole loans & ABS • Conduit CMBS • Small balance CMLs	• Middle market loans • ABLs / revolvers • Aircraft / aviation finance • Life sciences	• Insurance side cars • Insurance ABS • Life settlements • Insurance Multi-Credit	• Portfolio construction & asset allocation • Asset & liability management • Risk management • Structuring for capital efficiency

Apollo Capital Solutions (ACS)
Craig Farr
28 Professionals (4)
Firmwide, cross-platform support for: • Origination / deal sourcing • Financing advisory • Capital markets relationship management • Debt & equity syndication

Other Credit Strategies	Commercial Real Estate Debt	Hybrid Capital	European Principal Finance	Infrastructure & Energy Credit
	Scott Weiner $33 billion in AUM 39 Professionals	**Robert Ruberton** **Matthew Michelini** $14 billion in AUM 31 Professionals	**Skardon Baker** $7 billion in AUM 29 Professionals	**Various** $3 billion in AUM 16 Professionals

Source: Apollo. As of 9/30/2021.

The investment team for the Apollo Defined Return Fund, as seen in Figure 4, will leverage the knowledge, sourcing and monitoring capabilities of Apollo's 295 credit investment professionals and be managed by the Accord + Portfolio Management Team captained by John Zito, Senior Partner and Deputy Chief Investment Officer of Credit. Mr. Zito is supported by co-portfolio managers, Chris Lahoud and Tristram Leach, who provide senior sourcing and underwriting firepower for US- and European- focused opportunities, respectively. The investment team is further supported by five senior asset class specialists, each dedicated to one of the five key strategy pillars of the Fund – levered performing credit, dislocated credit, large scale origination, structured credit and other opportunistic credit, as well as over 260 supporting investment personnel. The team represents a group of seasoned investment professionals who possess a broad range of transactional, financial, and managerial skills and intend to construct the Fund's portfolio based on the prevailing market opportunity and relative value proposition. The Accord + team is both experienced and stable and has steadily added to their support staff over the past several years.

Figure 4: Apollo Accord + Investment Team

Portfolio Manager

John Zito
Senior Partner, Deputy CIO of Credit

Portfolio Management Team

Chris Lahoud *Partner,* *U.S. Credit*	**Tristram Leach** *Partner,* *European Credit*

Asset Class Specialists

Levered Performing Credit	Dislocated Credit	Large Scale Origination	Structured Credit	Other Opportunistic Credit
Jim Vanek *Partner,* *Corporate Credit*	**Rob Givone** *Partner,* *Corporate Credit*	**Natalia Tsitoura** *Managing Director,* *European Origination*	**Bret Leas** *Senior Partner,* *Global Structured Credit*	**Earl Hunt** *Partner,* *Credit Secondaries*

285+ Supporting Investment Professionals Across the Apollo Credit Platform[1]

Source: Apollo. As of 9/30/2021.

Compensation

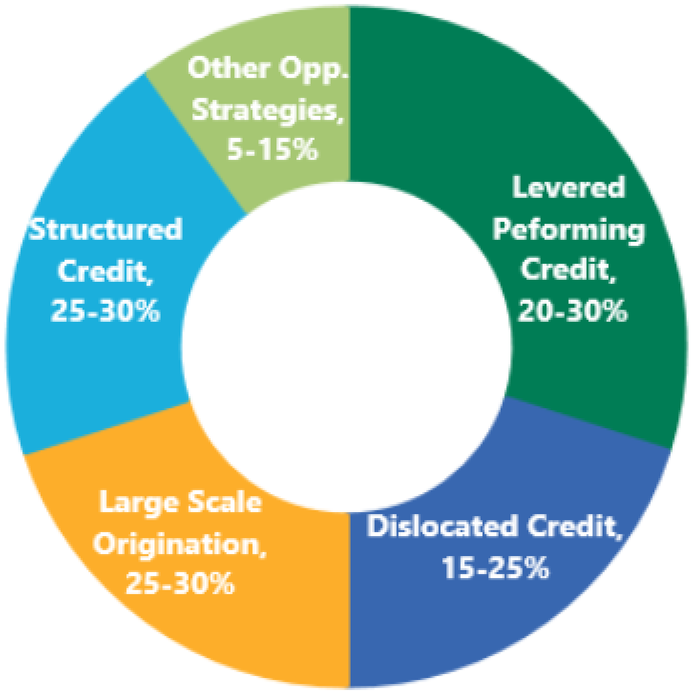
Investment professionals involved with the Fund are primarily compensated in two ways. First, in addition to their base salary, investment professionals are eligible to receive an annual bonus that includes both cash and equity awards, which vests over time. Secondly, investment professionals generally receive carried interest. The allocations of carry vary based on level of seniority and involvement with the day-to-day operations of the Fund, among other factors. Active investment professionals receive distributions on their full carry award, and upon departure investment professionals generally vest a portion of their carry award. Apollo believes that the vesting provisions have proven to be successful tools in retaining the Firm's investment professionals. The equity award and carry combination is designed to create an alignment of interests with investors in the funds while maximizing the benefits of the integrated platform, and broadly fits RVK's estimation of alignment of interest best practices for this type of product. Importantly, a significant portion of the compensation of senior professionals is tied to the performance of the Fund.

Investment Strategy

As mentioned previously, the Apollo Defined Return Fund is expected to follow a relatively broad, unconstrained investment mandate by taking a multi-asset approach centered around five key strategy pillars – levered performing credit, dislocated credit, large scale origination, structured credit, and other strategies. Across these five key strategy pillars, the Fund expects to opportunistically deploy capital as appropriate investment opportunities are identified, dynamically pivoting across the five key strategy pillars in an effort to capitalize on differences in relative value between asset classes.

Figure 5 below represents an illustrative allocation over the course of the Fund's investment period, assuming a bout of market volatility occurs during the period whereby the Fund can expect to invest up to 25% of the total Fund in dislocated credits. The Fund will not target a specific allocation to each key strategy pillar. Rather, allocations across the five pillars will be informed by current market conditions and the risk-adjusted opportunity set available. For example, during periods of market stress, the Fund will look to scale deployment in dislocated credit by purchasing stressed, performing assets which sell-off for non-economic reasons. However, during periods of relatively lower volatility, the Fund will deploy capital in investments that are more idiosyncratic in nature found in levered performing credit, large scale origination, structured credit and other opportunistic credits.

Figure 5: Illustrative Allocations Over the Fund's Investment Period



Source: Apollo. As of 9/30/2021

Investment Process

Apollo's investment process follows a classic footprint within alternative credit, distinguishing itself primarily through especially broad sourcing networks, a higher level of detail in its underwriting (particularly in the process' earlier stages), and a generally conservative approach to cash flow projections. Importantly, the high level of pre-existing, borrower-specific information and underwriting resources available to the firm and team also allow the process to take place more rapidly than those of many peers without sacrificing its thoroughness or level of detail.

Sourcing and Origination: Investments can be sourced from a wide range of avenues within the firm, including the many divisions of the large and broad-spectrum Apollo credit platform, which encompass specialists focused on both individual sectors (such as media and consumer discretionary opportunities) and individual asset types (such as structured products or private lending), the Apollo private equity and real assets platforms, and the Accord + investment team itself. In many cases, potential investments even in tradeable credit opportunities represent proposed primary market purchases that are sometimes exclusively shared with Apollo by either potential borrowers or members of the global banking system, resulting in a materially different opportunity set compared to many peers even within the context of liquid credit.

Given the breadth of Apollo's platform and market activity, a key distinction of the Fund's sourcing process is the amount of sourcing conducted "in house", as opposed to through long-term sourcing partners outside the firm.

Screening: Newly proposed investments are formally screened at the firm's regular Global Corporate Credit Pipeline meetings, where they are presented in detail by their respective analysts. However, in RVK's experience, given the high degree of ongoing interaction across the investment team, it is also common for senior investment professionals to comb through proposed investments in detail at a much earlier stage. Pipeline meetings typically focus on a summary of the borrower business in question, the highlighting of key merits and risks, and a review of Apollo's preliminary valuation work, with detailed valuation work typically taking place at an earlier stage than it does across many of the Fund's peers. Key areas for follow-up are then assigned to any potential investments that are deemed appropriate for further underwriting.

Underwriting: As with most peer strategies, underwriting centers on the expected future cash flows associated with any given investment, as well as the value of any associated rights to either specific assets or borrower companies. In many cases, potential borrowers and even specific credit instruments have been underwritten by Apollo in great detail in the recent past, allowing the team to build on pre-existing information and modelling as opposed to generating their underwriting framework from scratch. In RVK's experience, this has resulted in a significantly shorter underwriting runway for many of the team's past investments.

In general, in addition to sufficient future expected cash flows, proposed investments must demonstrate some level of borrower pricing power, a workable borrower business plan, solid levels of equity sponsorship (in the case of any sponsor-backed private loans), and the existence of a capable management team. In the case of idiosyncratic opportunities, expected future cash flows are weighted according to the expected probability of the investment's specific underlying catalysts - in RVK's experience, the expected outcomes and probability weightings assigned to these catalysts tend to be more conservative than those of many peer strategies, often leading to correspondingly lower loss rates across these investment types. In many cases, due diligence will be supplemented by dialogue with Apollo personnel from various divisions who have either underwritten or invested with some subset of the targeted borrower's capital structure in past periods. When due diligence has been completed, proposed investments are presented at Apollo's Global Corporate Credit Approval Meeting for final review and approval.

Portfolio Construction: Mr. Zito is responsible for portfolio construction, and performs most of the Fund's day to day portfolio management functions, with support from senior investment staff including co-portfolio managers, Chris Lahoud and Tristram Leach, and five senior asset class specialists, each dedicated to one of the five key strategy pillars of the Fund – levered performing credit, dislocated credit, large scale origination, structured credit and other opportunistic credit . As noted previously, the Fund will not target a specific allocation to each key strategy pillar. Rather, allocations across the five pillars will be informed by current market conditions and the risk-adjusted opportunity set available. For example, during periods of market stress, the Fund will look to scale deployment in dislocated credit by purchasing stressed, performing assets which sell-off for non-economic reasons. However, during periods of relatively lower volatility, the Fund will deploy capital in investments that are more idiosyncratic in nature found in levered performing credit, large scale origination, structured credit and other opportunistic credits.

The senior management of Apollo's credit division meet on a weekly basis to review sourced investments, in process due diligence efforts, and approved investments. Senior portfolio managers from across the firm have regular dialogue regarding macro concerns such as industry-specific developments, trends across ratings agencies and technical market forces, and hold regular, detailed discussions on the implications of these developments on the optimal construction of their various portfolios. This enables strategies such as the Apollo Defined Return Fund to take advantage of the firm's exceptional market visibility from a portfolio construction standpoint as well as a sourcing standpoint.

Asset Management: Asset management is the responsibility of the investment personnel behind each specific investment's underwriting. The ongoing monitoring of all positions is managed in concert with Apollo's comprehensive risk management systems, which tracks a large range of credit metrics associated with each underlying investment, and continually alerts the investment team to any outliers or the triggering of any portfolio-level risk limits. As noted previously, Apollo distinguishes itself from some of its peers in its ability to hedge against certain market risks where necessary, though hedging has not been employed in past representative funds and accounts and would only be expected as a response to an extreme, unusual and unexpected market development.

Despite the fact that Apollo commands the resources necessary to handle a large number of concurrent restructurings due to its staffing and size, the Fund expects the majority of its investments to represent performing credit instruments, where the team's core investment thesis does not require the default of the underlying security or the bankruptcy of the underlying borrower in order to realize the investment's expected return. As such, the number of defaults and bankruptcies associated with the portfolio are expected to be relatively limited compared to higher-risk offerings or offerings incorporating an explicit distressed debt component.

APOLLO

APOLLO GLOBAL MANAGEMENT

Apollo Defined Return Fund

Presentation to North Dakota Board of University and School Lands

December 2021

Unless otherwise noted, information as of September 30, 2021.

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The multiple of investment cost ("MOIC") is derived from dividing the sum of the estimated remaining value and realized proceeds by the amount invested, except where otherwise specified. MOIC is presented gross and does not reflect the effect of management fees, incentive compensations, certain expenses or taxes, which will reduce return.

Investing in a Fund is speculative and involves a substantial degree of risk. Risks include, but are not limited to, the fact that each of the Funds has or may have: a limited or no operating history; volatile performance; leverage use; limited liquidity with no secondary market expected and restrictions on transferring interests; high fees and expenses; and a dependence on Apollo, which will have exclusive authority to select and manage a Fund's investments. Prospective investors should carefully consider all risks described in the applicable PPM in determining whether an investment in a Fund is suitable. There can be no assurance that the investment objectives described herein will be achieved. Nothing herein is intended to imply that a Fund's investment methodology may be considered "conservative", "safe", "risk free", or "risk averse". Economic, market and other conditions could also cause a Fund to alter its investment objectives, guidelines and restrictions. Investment losses may occur.

Since the date as of which the investment performance herein reflects, there has been an outbreak of COVID-19 in the United States, and many other countries across Asia and Europe, which presents material uncertainty and risk with respect to the future performance and financial results of the investments discussed herein. As a result, Apollo anticipates meaningful impact to the investment performance discussed herein.

Past performance is not indicative nor a guarantee of future returns.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology.

Target IRR is presented solely for the purpose of providing insight into a Fund's investment objectives, detailing the Fund's anticipated risk and reward characteristics in order to facilitate comparisons with other investments and for establishing a benchmark for future evaluation of the Fund's performance. The target IRR presented is not a prediction, projection or guarantee of future performance. The target IRR is based upon estimates and assumptions that a potential investment will yield a return equal or greater than the target. There can be no assurance that Apollo's targets will be realized or that Apollo will be successful in finding investment opportunities that meet these anticipated return parameters. Apollo's target of potential return from a potential investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of Apollo's methodology for estimating returns. Accordingly, the Fund's target return should not be used as a primary basis for an investor's decision to invest in the Fund. The targeted IRR information is presented gross and does not reflect the effect of management fees, incentive compensation, certain expenses and taxes.

The track records included in this deck are for illustrative purposes only and are illustrative of the underlying strategies to be employed by Apollo Defined Return Fund. There is no guarantee that the returns presented will be achieved in the future. Index performance are shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities). It may not be possible to directly invest in one or more of these indices and the holdings of any Fund may differ markedly from the holdings of any such index in terms of levels of diversification, types of securities or assets represented and other significant factors. Indices are unmanaged, do not charge any fees or expenses, assume reinvestment of income and do not employ special investment techniques such as leveraging or short selling. No such index is indicative of the future results of any Fund.

Additional information may be available upon request, subject to applicable law and regulation.

Agenda

- Executive Summary
- Apollo Overview
- Strategy Overview
- Investment Process
- Illustrative Case Studies
- Appendix

Executive Summary

Executive Summary: Apollo Defined Return Fund

Opportunity

- In August 2021, Apollo formally launched fundraising efforts for Apollo Accord+ Fund ("Accord+ Drawdown"), a drawdown, multi-asset opportunistic credit offering. In recent discussions on the Accord+ Drawdown offering, **North Dakota Board of University and School Lands** ("North Dakota") reiterated **interest in a flexible credit mandate**, but illuminated **two emerging themes** facing its plan:

  1) **Need for Increased Deployment**

  2) **Increased Emphasis on Liquidity**

- While Apollo continues to believe there is tremendous value in a multi-asset opportunistic credit offering enabling dynamic investments in the most attractive risk-adjusted return opportunities, based on the above feedback from North Dakota, we believe there is likewise an opportunity for a **complementary evergreen structure**

- With this in mind, Apollo proposes that North Dakota seed **Apollo Defined Return Fund** ("Defined Return" or the "Fund"), an evergreen, multi-asset opportunistic credit offering, with an **initial $200 million commitment in February 2022**, coinciding with the end of Apollo Accord Fund IV's investment period

- Through Defined Return, we believe Apollo can provide North Dakota with the benefits of:

  ✓ **Semi-liquid solution** with access to opportunistic, private credit investments typically limited to more illiquid, drawdown mandates

  ✓ **Fully-funded format** through intense active management mitigating concerns with respect to limited deployment / cash surplus

  ✓ **Increased liquidity optionality** as compared to drawdown mandates where capital is locked up through multi-year investment / harvest periods

  ✓ **Minimized administrative burden** associated with requisite internal approval processes for re-upping investments in drawdown vehicles by facilitating the opportunity to stay invested and continuously recycle capital

- Further, we believe this seed partnership would further **strengthen the Apollo-North Dakota relationship** and facilitate a private credit investment program that could be **expanded over time**

Presented for discussion purposes only. Defined Return has not yet closed and there can be no guarantee or assurance that it will close in the future. There can be no assurance that the investment objectives described herein will be achieved.

Executive Summary: Apollo Defined Return Fund (cont.)

Strategy & Structure

Strategy

- Similar to Accord+ Drawdown, Defined Return will pursue a multi-asset opportunistic credit mandate, offering investors **streamlined access to all opportunistic credit strategies** at Apollo under the oversight of John Zito, Apollo's Deputy CIO of Credit
  - Harnessing the breadth of expertise resident within the Apollo Credit platform, Defined Return will provide investors **credit exposure centered around five pillars**:
    1. Levered Performing Credit
    2. Dislocated Credit
    3. Large Scale Origination
    4. Structured Credit
    5. Other Opportunistic Strategies (e.g., SPAC, aviation, credit secondaries, sector-specific, macro hedging/select shorts)
  - Following an initial 6-month portfolio ramp period, Defined Return will **remain fully-funded and dynamically pivot to maximize risk-adjusted returns across all market conditions**
  - While Defined Return will likely **have certain limitations on the less liquid asset classes**, we expect, at a minimum, modest exposure to all pillars
  - Additionally, Defined Return will have **macro hedges and select shorts** to help **mute mark-to-market volatility**

Liquidity

- Withdrawals will be eligible in the first quarter-end following a 2-year hard lock and on each second quarter-end thereafter with 90 days' written notice. Withdrawals will be subject to 15% investor-level gate (~30% eligible withdrawal annually)

Return Target[1]

- **8-12% net IRR**
  - Given the fully-funded format, increased liquidity and modified strategy (e.g., macro hedging), the **return target is lower than its drawdown counterpart which targets a 12-14% net IRR**

Fees

- As a seed investor, North Dakota will receive favorable economics

Presented for discussion purposes only. Terms presented are preliminary, subject to change and non-binding. (1) Target returns presented are net of management fees and expenses. The target returns presented are not a prediction, projection or guarantee of future performance. The target returns were calculated based on certain assumptions, which include recent performance data and current market conditions. Apollo gives no assurance that targeted returns will be achieved r that Apollo will be successful in implementing Apollo Defined Return Fund strategy. Actual net returns for the Apollo Defined Return Fund, and individual investors participating in the Apollo Defined Return Fund, may vary significantly from the target returns set forth herein.

Apollo Overview

Apollo Overview

Firm Profile

Founded: 1990

AUM: ~$481 bn[1]

Employees: 2,035

Inv. Professionals: 631

Offices Worldwide: 17[3]

Private Equity

204 Investment Professionals[2]

$86 bn in AUM[1]

Credit

295 Investment Professionals

$341 bn in AUM[1]

Real Assets

132 Investment Professionals

$54 bn in AUM[1]

Key Attributes

Value-Oriented

Contrarian

Rigorous & Tenacious

Integrated Investment Platform

Opportunistic Across Market Cycles and Capital Structures

Global Footprint

All figures as of September 30, 2021, unless otherwise noted.
(1) Business segment AUM may not sum to total firm AUM due to rounding. Please refer to the slides in this presentation entitled "Risk Factors and Definitions" for the definition of AUM.
(2) Private equity headcount includes executive officers and strategy.
(3) Number may not be fully reflective of all Apollo affiliated office space worldwide.

Apollo As A Driver To Secular Change

Secular Change

- European Debt Crisis
- Bank Regulation & Shrinking Balance Sheet
- Bank De-Levering Non-Core Assets
- Insurers' Asset Liability Mismatch
- Disintermediation of Traditional Financial Institutions
- QE & Growth of Passive Investing: Compressed Yields & Change in Market Structure
- Asian Real Estate Market Dislocation and Distress
- Evolving Company Capital Requirements
- Continued Stress Among Incumbent Insurers and Non-bank Lenders

Apollo Response

- 2007 European Principal Finance[1]
- 2008 Structured Credit Activities
- 2008 Credit Opportunity Funds
- 2009 Athene[2]
- 2010 Life Settlements
- 2012 Merx Aviation[3]
- 2013 Total Return Strategy
- 2013 MidCap Financial[4]
- 2015 Accord Series
- 2015 Asia Real Estate
- 2018 Hybrid Value
- 2018 Infrastructure
- 2019 Apollo/Athene Dedicated Investment Program
- 2020 Apollo Origination Partnership
- 2021 Accord+ Strategy

Source: Apollo Analysts as of September 30, 2021. The above is not an exhaustive list. (1) The European Principal Finance business now resides within the Real Assets segment of Apollo's business. (2) Substantially all of Athene Holding Ltd.'s investments are managed by Apollo Insurance Solutions Group LLC, a subsidiary of Apollo. (3) Merx Aviation is a wholly-owned portfolio company of Apollo Investment Corporation, a publicly traded business development company managed by an affiliate of Apollo. (4) MidCap Financial is managed by an affiliate of Apollo, pursuant to an investment management agreement.

Broad Credit Coverage and Experienced Team

Apollo Credit

$341 Billion in AUM & 295 Investment Professionals (1)

Jim Zelter, *Co-President and Chief Investment Officer of Credit*

Anthony Civale, *Co-Chief Operating Officer*

John Zito, *Senior Partner and Deputy Chief Investment Officer of Credit*

Corporate Fixed Income	Corporate Credit & Large Cap. Lending	Structured Credit	Consumer & Residential Credit	Direct Origination	Principal Structured Finance Group	Insurance Solutions Group (ISG) (2)
$99 billion in AUM 45 Professionals	$72 billion in AUM 70 Professionals	$31 billion in AUM 20 Professionals	$25 billion in AUM 24 Professionals	$28 billion in AUM 27 Professionals	$22 billion in AUM 13 Professionals	44 Professionals
Leadership						
Jim Hassett Leslie Mapondera Brigitte Posch	**Robert Bittencourt Robert Givone Earl Hunt Christopher Lahoud Joseph Moroney James Vanek**	**Alan Kelly Bret Leas Mike Paniwozik**	**Nancy De Liban Rob Graham**	**Tanner Powell Gary Rothschild Howard Widra**	**Jamshid Ehsani**	**Jim Galowski (3) Jeff Jacobs Matt O'Mara Jasjit Singh**
Strategies						
• Investment grade: public & private • Sovereign bonds • Emerging markets	• Senior secured loans • High yield • Event-driven • Multi-sector credit • Large corporate direct lending • Dislocated credit	• CLO liabilities & equity • Regulatory & solutions capital • Asset-backed securities • Fund & lender finance • Credit secondaries	• Residential real estate – RMBS & whole loans • Consumer whole loans & ABS • Conduit CMBS • Small balance CMLs	• Middle market loans • ABLs / revolvers • Aircraft / aviation finance • Life sciences	• Insurance side cars • Insurance ABS • Life settlements • Insurance Multi-Credit	• Portfolio construction & asset allocation • Asset & liability management • Risk management • Structuring for capital efficiency

Apollo Capital Solutions (ACS)

Craig Farr

28 Professionals (4)

Firmwide, cross-platform support for: • Origination / deal sourcing • Financing advisory • Capital markets relationship management • Debt & equity syndication

Other Credit Strategies	Commercial Real Estate Debt	Hybrid Capital	European Principal Finance	Infrastructure & Energy Credit
	Scott Weiner $33 billion in AUM 39 Professionals	**Robert Ruberton Matthew Michelini** $14 billion in AUM 31 Professionals	**Skardon Baker** $7 billion in AUM 29 Professionals	**Various** $3 billion in AUM 16 Professionals

Note: All strategies and leadership listed above reflect global coverage. AUM and headcount as of September 30, 2021. Subject to change at any time without notice. Please refer to the slides in this presentation entitled "Risk Factors and Definitions" for the definition of AUM. (1) Strategy headcounts exclude 24 global business professionals. Includes headcount for ISG. (2) ISG manages $281 bn in assets for affiliate insurance balance sheets, including those sub-advised by Apollo's Credit, Private Equity, and Real Assets businesses. (3) In addition, serves as co-portfolio manager of the SCRF Funds and Partner, European Credit. (4) ACS included in strategy headcount.

Strategy Overview

Apollo Credit is Well-Positioned to Capitalize on Changing Market Dynamics Across Asset Classes

1 Apollo Credit's Structure and Disposition Have Put Us In a Position of Strength Across Varying Market Environments

2 Apollo's Integrated Model Facilitates Real-time Sharing of Industry Knowledge, Enhancing Apollo's Ability to Move Quickly When Dislocations Occur

3 Broad Credit Expertise Across A Variety of Asset Classes Enables Apollo to Seek Out the Most Attractive Risk-Adjusted Return in an Evolving Market Environment

4 Ability to Move in Scale and with Speed, Allowing Apollo to Create Proprietary Opportunities within Credit

Note: Based on the views and opinions of Apollo Analysts. Subject to change at any time without notice.

Defined Return: Dynamic Allocation Across Five Key Pillars

Pillar	Description	Target Returns (Gross)[1]
1 Levered Performing Credit	• Focused on primarily ***liquid, performing senior secured credit*** to generate both ***current income and total return*** • Breadth of Apollo's credit platform provides ***broad sourcing "funnel"*** and ability to exercise a high degree of ***credit selectivity***	10-12%
2 Dislocated Credit	• ***Contingent capital*** positioned to pursue ***dislocated credit opportunities*** within the whitespace that exists between traditional passive and distressed-for-control investment mandates • Focused on ***stressed, performing assets across the credit spectrum*** that sell-off due to ***technical and/or non-fundamental reasons***	15-18%
3 Large Scale Origination	• Origination strategy targeting ***large corporate and sponsor-backed issuers*** utilizing our ***proprietary sourcing channel*** primarily focused on ***1st lien*** and unitranche loans • Offers efficient financing solutions for borrowers within the ***whitespace*** that exists between traditional ***middle market lenders*** and the ***broadly syndicated market***	10-15%
4 Structured Credit	• Expects to invest in a ***broad mandate of structured products*** on an opportunistic basis, including CLO debt and equity, consumer and whole business securitizations, ABS and solution capital • Will also invest strategically alongside Apollo in ***platform investments, joint ventures and similar arrangements*** if/when those opportunities become available	12-15%
5 Other Opportunistic Strategies	• Broad asset class and sector-level expertise enables Apollo to uncover ***unique relative value and risk-adjusted*** opportunities ***across the credit spectrum*** • ***Niche or thematic*** investment categories (e.g., aviation, SPACs, sector specific, secondaries, macro hedges/select shorts)	8-15%

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Defined Return: Target Portfolio Composition

Target Asset Allocation

Key Strategy Pillars	Target Allocation[1]
Levered Performing Credit	25-35%
Dislocated Credit	10-20%
Large Scale Origination	15-25%
Structured Credit	20-30%
Other Opportunistic Strategies	5-10%

6-month ramp period after which Defined Return will remain ***fully-deployed*** with ***dynamic portfolio repositioning*** informed by evolving market conditions

By creating a diversified semi-liquid portfolio, Defined Return would target an overall 8-12% net IRR[2]

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1 Levered Performing Credit

Liquid, performing senior secured credit with moderate and attractive leverage

Investment Focus	• Focused primarily on secured debt markets which Apollo believes offer a compelling risk-adjusted return opportunity, given ***top of the capital structure, floating rate assets*** • Target leverage of 0.5x-1.5x with **active risk management**
Investment Strategy	• ***Actively managed*** positions across relative value and total return strategies • ***Total return strategy*** focuses on high conviction catalyst-driven situations • ***Fundamental underwrite and prudent credit selection*** leveraging broader Apollo Credit platform
Experienced Team & Infrastructure	• Positions underwritten and managed by Apollo's ***Global Corporate Credit business*** with 70 investment professionals • Exceptional idea generation and credit selection with ***low default record*** • Leverages the ***investment acumen*** and ***market position*** of Apollo's Credit platform for deal allocation and trade execution

Conservative Investment Approach Focused on Capturing Market Upside While Mitigating Downside Risk

- Rigorous, bottom-up underwriting and ***research-driven credit selection***
- Consistent focus on investments with what we believe to be a ***high margin of safety***
- ***Use of moderate, low-cost financing*** to help generate alpha and an enhanced yield
- ***Tactical and dynamic allocations*** across the broadly syndicated market
- ***Keen focus on downside protection*** across all market environments
- Leverages the breadth of ***Apollo's integrated platform and sourcing capabilities***

Levered Loan Track Record

	Apollo Credit Fund (USD)	**S&P Lev Loan Index**	**Credit Suisse Lev Loan Index**
Summary Statistics (2009 – 9/30/2021)			
Annualized Return (Gross / Net)	***14.3% / 12.1%***	8.0%	7.7%
Annualized Volatility (Gross / Net)	***8.2% / 7.8%***	6.3%	6.0%
Sharpe Ratio (Gross / Net)	***1.7 / 1.5***	1.2	1.2
# of Down Months	***22***	35	28

As of September 30, 2021 unless otherwise noted. Reflects the views and opinions of Apollo Analysts. Subject to change at any time without notice. Past performance is not indicative nor a guarantee of future returns.

APOLLO

Index performance per Bloomberg, Merrill Lynch and Credit Suisse. The investments held by the Apollo Credit Fund may be materially different in composition and diversification as compared to the investments comprising the indices described herein. The Fund may reflect investments in financial instruments that have a different degree of risk, volatility and leverage than the loans and investments that comprise the S&P Leveraged Loan Index or the Credit Suisse Leveraged Loan Index. The Apollo Credit Fund was formerly the Stone Tower Credit Fund from inception until April 2012, when Stone Tower Capital was acquired by Apollo. Please refer to the "Legal Disclaimer" page for important information regarding use of fund indices and track records as well as important performance definitions.

2 Dislocated Credit

Contingent capital ready for deployment into high-quality credit assets in times of market volatility

Investment Focus

- Capital deployment on a ***contingent basis, predicated on market conditions*** and the corresponding opportunity set
- Focused primarily on ***high-quality, defensive credits that sell-off due to non-economic catalysts***, oftentimes from indiscriminate sellers who forego optimal pricing to offload risk quickly and bolster liquidity
- We believe this approach: (1) ensures ***tactical deployment***, (2) provides ***diversifying exposure*** which is uncorrelated to other private credit capital and (3) creates a dedicated pool of assets which will take ***concentrated positions in the Apollo credit platform's best ideas*** during periods of market stress

Investment Strategy

- ***Scaled deployment*** with the majority of capital reserved for material spread widening
- ***Intense active management*** to facilitate agility during short-term and often unpredictable bouts of market dislocation
- ***Dynamic cross-asset credit allocation*** to capitalize on near and longer-term relative value opportunities
- ***High-conviction, top of the capital structure investments*** with strong cash flows, significant asset coverage and robust documentation

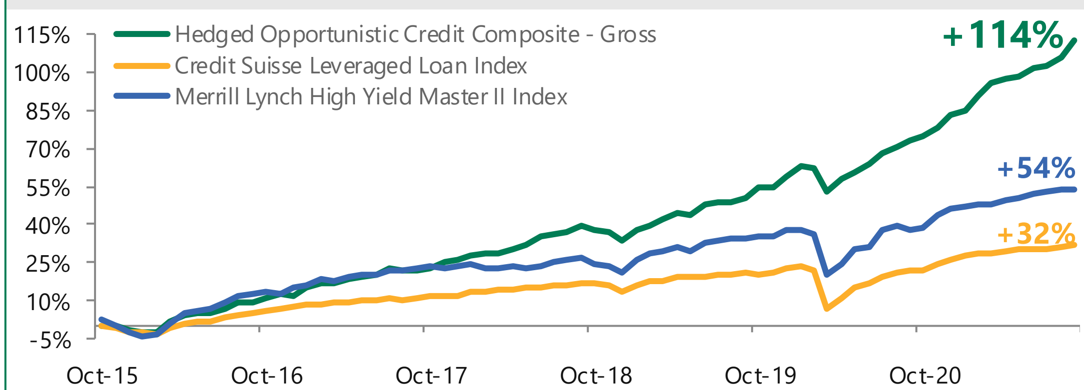
Experienced Team & Infrastructure

- ***Deep bench of investment professionals*** with varied experience and sector specialization, facilitating prudent credit selection
- Given adjacency to Apollo's hedge fund research engine, the investment team maintains a ***target list of securities to purchase if/when volatility occurs*** enabling quick and decisive action
- Significant trading activity across the Apollo platform affords ***differentiated access during periods of market forced selling***

Alternative Approach to Capturing Credit Dislocation

Passive Investors	White Space: Dislocated Credit	Distressed-For-Control Investors
Generally Target 5-6% Returns	**Target 15-18% Gross Returns**	Generally Target 1.5-2.0x MOIC and 15-25% Returns
$15 Trillion in Assets Managed Passively Paired with Outflows from Active Management	**High-Quality Credits**	Equity-Like Risk
	Significant Enterprise-Coverage	Billions Raised in Distressed and Direct Lending Funds
	← Provides Liquidity	
Unprecedented Flows Squeeze High Liquidity Opportunity Set	**Pursues IRR Focused Opportunities Typically Not Part of Distressed Mandates →**	Unprecedented Flows Squeeze Illiquid Opportunity Set

Dislocated Credit Track Record



	ITD	Ann. ITD
Hedged Opportunistic Composite Gross	**113.5%**	**13.5%**
Credit Suisse Lev Loan Index	32.2%	4.8%
Merrill Lynch High Yield II Index	53.5%	7.4%

Apollo Accord Series	Gross	Net
IRR[2]	22.0%	17.5%
Multiple[3]	2.01x	1.66x

As of September 30, 2021 unless otherwise noted. Reflects the views and opinions of Apollo Analysts. Subject to change at any time without notice. Past performance is not indicative nor a guarantee of future returns.

(1) Reflects estimated returns of the Hedged Opportunistic Credit Composite (the "Composite") from October 1, 2015 through September 30, 2021. The Composite consists of portfolios that focus primarily in event-driven and value-oriented investments in corporate and structured credit and also include exposure to less liquid opportunities. Gross performance does not include the effects of fees or expenses. Performance results are calculated utilizing a time-weighted methodology. (2) Reflects estimated composite returns of the Accord Funds through September 30, 2021. (3) Reflects estimated cumulative return on equity for the Accord Funds through September 30, 2021. Please refer to the "Legal Disclaimer" page for important information regarding use of fund indices and track records as well as important performance definitions.

3 Large Scale Origination

Directly originated 1st lien and unitranche term loans to issuers with $100mm+ EBITDA

Sustainable Opportunity Set

Scalability

- $2.6tn U.S. large corporate loan market severely underpenetrated by direct lending
- European banking system poised for structural changes
- Size of opportunity set in excess of $150bn in the next 5 years

Secular and Cyclical Tailwinds

- Privatization of credit markets is a long-term secular shift
- Market increasingly formulaic and ratings-driven
- Strategy designed for benign market environments, but opportunity set expands during periods of market stress

Lack of Competition

- Scale and incumbency provide for a meaningful barrier to entry
- Opportunity set is in its nascency; early movers have advantage

Demand for Alternative Credit

- Bank retrenchment and larger borrowers currently underserved by middle market
- Investor demand for yield amid persistent low yield environment

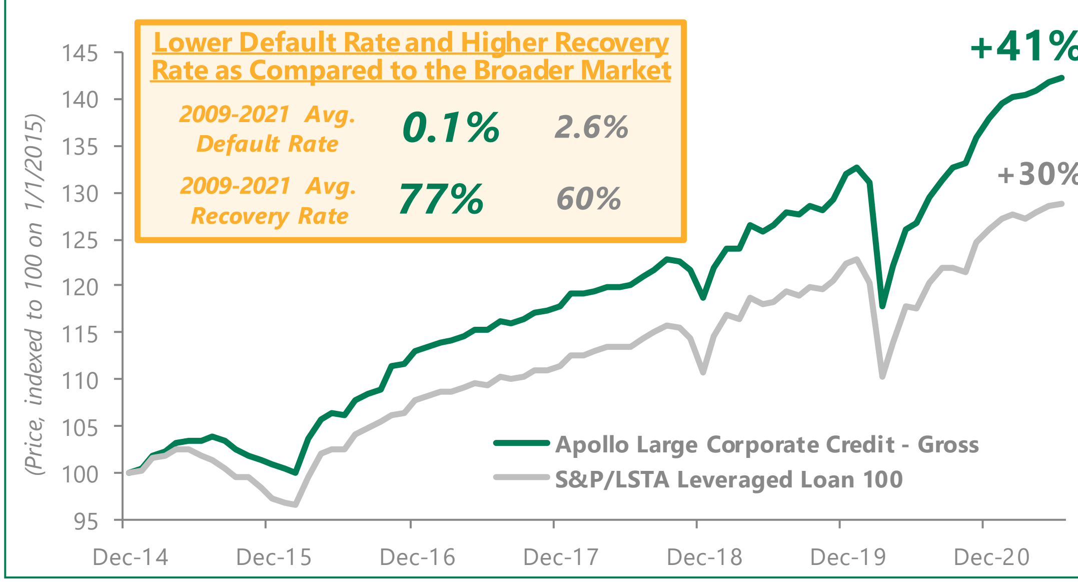
Representative Recent Large-Scale Origination Transactions[1]

pib insurance brokers	March 2021 **£630mm 1L Facility**	**Acquisition Financing** Confidentiality and timing concerns required one counterparty, execution certainty
NGL Energy Partners LP	June 2020 **$250mm 1L Term Loan**	**Bilateral Refinancing** Required speed and certainty of closing amid unpredictable public market appetite
NewFortress energy	January 2020 **$800mm 1L Term Loan**	**Bilateral Refinancing** Terms for syndicated solution conflicted with strategic priorities
YRC Worldwide	September 2019 **$600mm 1L Term Loan**	**Bilateral Refinancing** Required certainty of closing and preferred streamlined lender group

Apollo is a Differentiated Lending Partner

Complete Capital Structure Solutions	• Differentiated product capabilities across the entire capital structure • One-stop shop with full suite of products
Structuring Expertise	• Bespoke capital solutions tailored to borrower-specific needs while retaining rigorous structural protections
All-Weather Capital	• Flexible capital provides for certainty of closing irrespective of broader market environment
Ability To Move With Speed...	• Broad credit coverage and industry expertise accrue to informational advantage • Ability to thrive under tight time constraints
...And Invest With Scale	• Fully-aligned balance sheet and one of the largest permanent capital bases • Dedicated broker-dealer

Large Corporate Credit Track Record[2,3]



As of September 30, 2021 unless otherwise noted. Reflects the views and opinions of Apollo Analysts. Subject to change at any time without notice. Past performance is not indicative nor a guarantee of future returns.

APOLLO

(1) Investment examples have been selected for discussion purposes only to illustrate Apollo's four largest large-scale origination investments for the two-year period ending March 31, 2021. There is no guarantee that similar investment opportunities will be available in the future or be profitable. (2) The Apollo Large Corporate Credit universe was selected to include publicly priced syndicated loans, denominated in USD, that had at least $100mm of market value held across the Apollo credit platform. Returns are calculated daily and are geometrically linked. Gross performance does not include the effects of fees or expenses. Please refer to the "Legal Disclaimer" page for important information regarding use of fund indices and track records as well as important performance definitions. (3) Default and recovery data reflect Apollo Corporate Credit's annual average default and recovery rates from 2009-2021. Market default and recovery rates reflect the annual average par weighted and issuer weighted default and recovery rate, respectively, of the leveraged loan market per J. P. Morgan.

4 Structured Credit

Low correlation to traditional asset classes with complexity and illiquidity premium

Apollo Structured Credit Investment Opportunities

Cash Structured

Investments in debt and equity tranches of securitizations

CLO Debt & Equity	*Risk Retention*
RMBS	*CMBS*

- Ability to engage in relative value trading opportunities by identifying market inefficiencies
- Longer investment horizon
- Transparency of collateral

ABS and Receivables

Consumer & Commercial Lending and ABS

Whole Loan Pools	*ABS Residuals*

- Certain sectors uncorrelated to broader markets
- Attractive credit enhancements / can alter credit box
- Origination opportunities

Solution Capital

Capital Relief Trades & Relationship Lending

Solution Capital Relief Trades in Cusip and Non-Cusip Forms

CRE First Mortgage Hold Books	*Relationship Lending Books*

- Originated deals that pay risk premium for complexity and illiquidity
- Access to difficult-to-source assets
- Alignment of interest with financial institution counterparty

Apollo Differentiated Approach

- ***Established Track Record and Scale of Strategy.*** Beginning with Stone Tower Everquest Financial in 2006, the Apollo Structured Credit Platform has grown and currently manages over $20 billion in structured products across a variety of vehicles
- ***Dynamic Allocation of Capital.*** The Structured Credit platform is differentiated by the breadth of its investment focus, with the ability to both create risk through Apollo's origination channel in all markets and purchase risk in dislocated markets
- ***Integrated Platform.*** The global Structured Credit team approaches investing from a fundamental credit perspective by leveraging the expertise across our Global Corporate Credit platform

Apollo Established Track Record Across Various Market Cycles

	Vintage	Market Backdrop	Gross IRR	Net IRR	Gross MOIC	Net MOIC
		SCRF Series	**13.8%**			
SCRF I	**2008**	Broad dislocation in structured credit markets	33.3%	26.0%	2.0x	1.8x
SCRF II	**2012**	Historically weak economic recovery	14.9%	11.6%	1.6x	1.4x
SCRF III	**2014**	Optimism and monetary policy result in fully priced traditional credit market and re-leveraging	17.5%	13.6%	1.6x	1.4x
SCRF IV	**2017**	Geopolitical and central bank uncertainty combined with unprecedented COVID-19 inflicted dislocation	8.7%	7.6%	1.2x	1.2x
		Ex-Synthetics	***11.9%***			

APOLLO As of September 30, 2021 unless otherwise noted. Reflects the views and opinions of Apollo Analysts. Subject to change at any time without notice. Past performance is not indicative nor a guarantee of future returns. Please refer to the "Legal Disclaimer" page for important information regarding use of fund indices and track records as well as important performance definitions.

5 Other Opportunistic Strategies

Summary Overview

- Opportunistic bucket expected to enable ***nimble, scaled deployment*** into transactions that may not be captured by the levered performing loans, dislocated credit, large scale origination and structured credit pillars
- Investments will represent ***high-conviction opportunities*** that arise from the broad reach of Apollo's $341bn Credit platform
- Focused on ***niche and thematic*** investment categories across ***different sectors and credit asset classes***, enabling Apollo to source the most ***attractive risk-adjusted return opportunities in an evolving market environment***

Illustrative Opportunity: SPACs

Investment Highlights

- ***Special purpose acquisition companies*** ("SPACs") represent an attractive opportunity for investors to gain ***access to top-tier management and opportunities with significant downside protection, upside potential and approval rights***
- Apollo is uniquely-positioned given its ***breadth of platform and significant experience*** in investing and managing SPACs
- Apollo believes the SPAC market is the approximate ***$500+ billion SPAC ecosystem*** across equity, PIPEs and debt, ***accessible to managers with flexible capital*** and strong capital markets and sponsor relationships

Historical Performance and Deployment

- Apollo-managed opportunistic credit funds have returned a ***30.8% gross IRR*** on over ***$3.2bn SPAC deployment*** since 2018, which implies a ***26.6% net IRR***[1]
- Loss Rate of ***~3% on 293 positions since 2018***

Illustrative Opportunity: Aviation Finance

Investment Highlights

- The current market environment presents a ***once-in-a-cycle opportunity for experienced aviation investors*** to source high quality assets with counterparties at attractive discounts
- Apollo, through Merx Aviation[2] established in 2012, has a ***fully built-out aviation finance platform*** with a team of over ***25 professionals*** with the ***deep underwriting expertise*** required to navigate through various market cycles
- By leveraging ***in-house sourcing, structuring and servicing capabilities***, Apollo believes it is optimally situated to deploy into attractive risk-reward opportunities with top-tier counterparties

Historical Performance and Deployment

- Since its inception in 2019, Apollo's flagship commercial aircraft leasing fund has ***sourced ~$1.2bn in assets***[3] and is projected to generate a ***21.8% gross / 18.9% net IRR*** and ***1.7x gross / 1.5x net MOIC***[4]

Reflects the views and opinions of Apollo Analysts. Subject to change at any time and without notice. Past performance is not indicative nor a guarantee of future returns. (1) Historical gross IRR and implied net IRR on equity SPAC deployment for the period January 1, 2018 through June 30, 2021. Please refer to the end of the presentation for important information relating to the SPAC Historical Performance Disclaimer. (2) Merx Aviation is a wholly owned subsidiary of Apollo Investment Corporation, a publicly traded BDC managed by Apollo. (3) Reflects total transaction size of all Apollo Navigator Aviation Fund I investments and commitments through November 2021. Includes unfunded committed transactions that have signed, but have not yet closed and may never close. (4) Fund-level target projected returns incorporate various assumptions related to the Fund's subscription facility, timing of capital activity and fund-level fees and expenses. This information is based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond Apollo's control or are subject to change. Projected returns are illustrative and do not constitute actual performance. Actual returns could be materially different from the scenarios depicted herein. Fund-level gross returns do not account for fees, expenses and taxes that are aggregated at the fund level. Returns will be lower after deduction of fees, costs and expenses. Fund-level net returns are net of all fund-level management and incentive fees. Please refer to the "Legal Disclaimer" page for important information regarding use of fund indices and track records as well as important performance definitions.

5 Other Opportunistic Strategies (cont.)

Illustrative Opportunity: Credit Secondaries

Investment Highlights

- Annual secondaries volumes have hit an ***all time high***, and are expected to grow by ***$200-250bn+ annually***
- ***Private debt*** continues to grow from both end-investor demand and issuer preferences for alternative sources of financing
- Investments are expected to be purchased at a ***material discount*** and offer an ***attractive current yield with embedded downside protection***
- Ability to offer ***leverage*** to enhance returns

Apollo Edge

- Apollo's ***expansive credit platform***, ***database*** of issuers from ***small-to large-cap*** as well as our ***external network*** across LPs and syndicate partners, make us a natural buyer
- We believe our ***avenues for sourcing*** allow us to structure creative solutions with a ***lower cost of capital*** than traditional buyers

Illustrative Opportunity: Macro Hedging & Select Shorts

Investment Highlights

- To ***mitigate overall tail risks to the portfolio*** and dampen mark-to-market volatility, Defined Return will ***benefit from the optionality to execute macro hedges***, primarily in the form of option and derivative positions, used to ***proactively reduce non-core risks***, including tail / exogenous event, FX and interest rate risks
- Where appropriate, we will also select ***single-name, alpha-seeking shorts*** with identifiable catalysts
- We believe the inclusion of macro hedges and selective single-name shorts can ***improve performance in environments with impending volatility and increased dispersion***

Apollo Edge

- Apollo's ***open architecture and information-sharing*** across business units ***allows us to see pockets of economic weakness*** at all points of the investment cycle
- Historically, these real-time views on the broader economic environment and trends across a wide variety of industries have allowed us to explore options to ***mitigate downside market risk*** either through macro hedges or structural and thematic shorts based on issuer and industry-specific trends

Reflects the views and opinions of Apollo Analysts. Subject to change at any time and without notice. Past performance is not indicative nor a guarantee of future returns.

Representative Opportunistic Credit SMAs: Performance Summary

Extensive history investing in cross-credit, opportunistic strategies for strategic partners

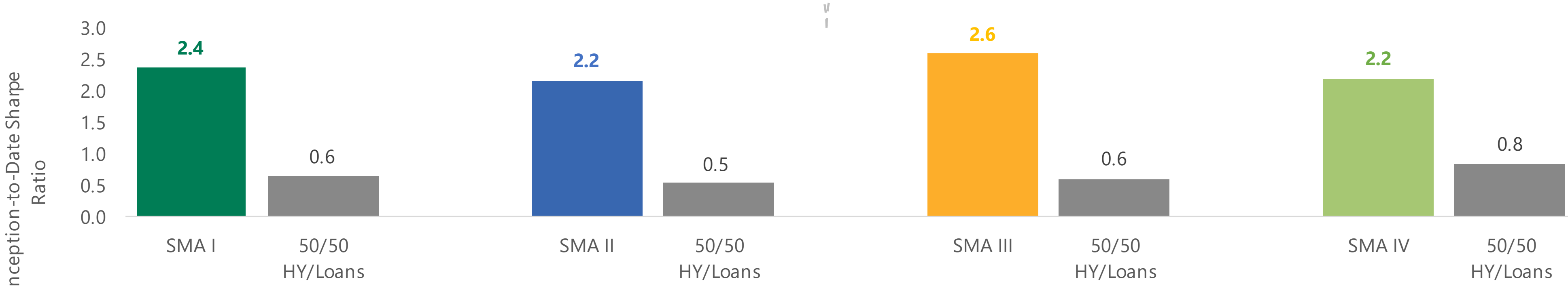
Representative Opportunistic Credit SMAs

Representative SMA I ***Long-Biased, High Conviction Longs and Shorts***	
April 2015 – September 2021	
ITD Gross Return - Cumulative	113%
ITD Gross Return - Annualized	12%
ITD Volatility - Annualized	5%
Sharpe Ratio	**2.4**

Representative SMA III ***Long-Only, Diversified Across Core Strategies***	
June 2015 – September 2021	
ITD Gross Return - Cumulative	152%
ITD Gross Return - Annualized	16%
ITD Volatility - Annualized	6%
Sharpe Ratio	**2.6**

Representative SMA II ***Long-Biased, Highly Concentrated***	
March 2017 – September 2021	
ITD Gross Return - Cumulative	77%
ITD Gross Return - Annualized	13%
ITD Volatility - Annualized	6%
Sharpe Ratio	**2.2**

Representative SMA IV ***Long-Only, Proprietary Yield***	
January 2016 – September 2021	
ITD Gross Return - Cumulative	138%
ITD Gross Return – Annualized	16%
ITD Volatility – Annualized	7%
Sharpe Ratio	**2.2**



Note: Data is preliminary and estimated as of September 30, 2021 and is subject to change at any time without notice. Past performance is not indicative nor a guarantee of future returns and there can be no assurance opportunities that existed in the past will present themselves again. Gross performance does not include the effects of fees or expenses. Please see the slide in this presentation entitled "Risk Factors & Definitions" for "Important Notes Regarding the Use of Index Comparisons." There can be no assurance that similar opportunities will be available for the strategy in the future or that any such investments will be profitable or that similar opportunities will be profitable in the future. Performance results are calculated utilizing a time-weighted methodology. Because of the differences in the investment strategies employed by the managed accounts depicted above, the track record should be used only to assess Apollo's experience generally in the opportunistic credit managed account space and should not be used to assess the proposed Fund team's ability to successfully implement the proposed Fund's investment strategy.

Representative Opportunistic Credit SMAs: Evergreen Track Records

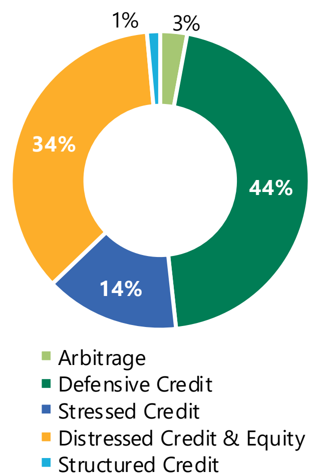
Representative SMA I

Inception: **April 2015**

Limited Partner: **Public Pension**

Investment Strategy[1]

- **Long-Biased**
- **Catalyst-Driven**
- **Cross-Platform Opportunities**
- **Increased Concentration**



Track Record

	Gross	Net
2021 YTD ROE	14.2%	11.6%
ITD Cumulative ROE	113.3%	85.1%
ITD Annualized ROE	12.4%	9.9%

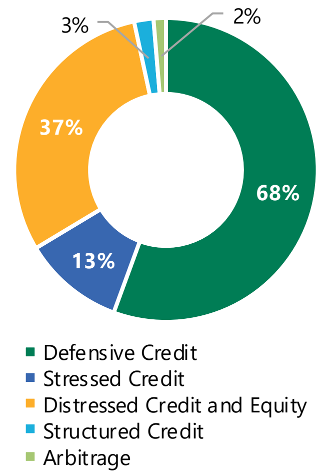
Representative SMA II

Inception: **March 2017**

Limited Partner: **Alternative Asset Manager**

Investment Strategy[1]

- **Long-Biased**
- **Tactical**
- **Cross-Platform Opportunities**
- **Increased Concentration**



Track Record

	Gross	Net
2021 YTD ROE	13.2%	10.4%
ITD Cumulative ROE	77.5%	52.8%
ITD Annualized ROE	13.4%	9.7%

Estimated performance from inception, as defined, to September 30, 2021. (1) Chart reflects long exposure. Past performance is not indicative nor a guarantee of future returns. The investment performance of the SMAs described herein is for illustrative and discussion purposes only. These SMAs were selected based on objective, non-performance based criteria and are representative of SMAs on the Apollo credit platform that employ a strategy similar to Defined Return. There is no guarantee that Defined Return would make the same or similar investments or would achieve such returns in the future.

Representative Opportunistic Credit SMAs: Drawdown Track Records

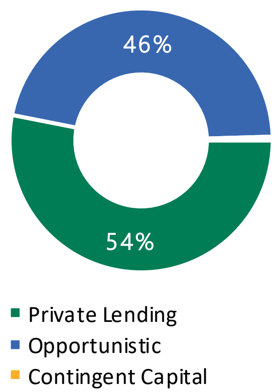
Illustrative SMA III

Inception: **June 2015**

Limited Partner: **Public Pension**

Investment Strategy

- Long Biased
- Opportunistic
- Cross-Platform Opportunities
- Diversified



Track Record

	Gross	Net
2021 YTD ROE	15.5%	13.5%
ITD Cumulative ROE	151.9%	118.9%
ITD Annualized ROE	15.9%	13.3%

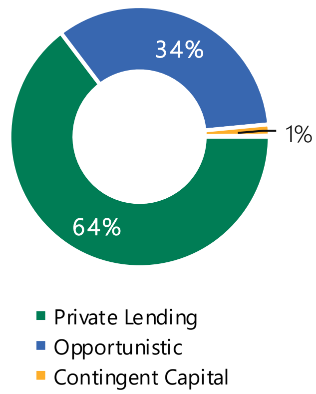
Illustrative SMA IV

Inception: **January 2016**

Limited Partner: **Public Pension**

Investment Strategy

- Long Biased
- Total Return Focus
- Cross-Platform Opportunities
- Diversified



Track Record

	Gross	Net
2021 YTD ROE	12.0%	9.9%
ITD Cumulative ROE	137.6%	102.0%
ITD Annualized ROE	16.4%	13.2%

Estimated performance from inception, as defined, to September 30, 2021. Past performance is not indicative nor a guarantee of future returns. The investment performance of the SMAs described herein is for illustrative and discussion purposes only. These SMAs were selected based on objective, non-performance based criteria and are representative of SMAs on the Apollo credit platform that employ a strategy similar to Defined Return. There is no guarantee that Defined Return would make the same or similar investments or would achieve such returns in the future.

Investment Process

Defined Return Investment Team

Portfolio Manager

John Zito
Senior Partner, Deputy CIO of Credit

Portfolio Management Team

Chris Lahoud	**Tristram Leach**
Partner, U.S. Credit	*Partner, European Credit*

Asset Class Specialists

Levered Performing Credit	Dislocated Credit	Large Scale Origination	Structured Credit	Other Opportunistic Credit
Jim Vanek *Partner, Corporate Credit*	**Rob Givone** *Partner, Corporate Credit*	**Natalia Tsitoura** *Managing Director, European Origination*	**Bret Leas** *Senior Partner, Global Structured Credit*	**Earl Hunt** *Partner, Credit Secondaries*

285+ Supporting Investment Professionals Across the Apollo Credit Platform[1]

(1) As of September 30, 2021. Subject to change at any time without notice.

Defined Return Has a Robust Multi-Tiered Investment Process

Individual Asset Class Meetings

Headed by senior business leaders across Apollo Credit

- ✓ Deep fundamental research and diligence processes, leveraging industry, asset and structuring expertise from across the Firm
- ✓ Individual ideas are vetted and considered by portfolio managers within each asset class
- ✓ Asset class portfolio managers buy/sell within their respective asset classes based on outcome of the relevant Committees(s) and/or coinciding with other requisite approvals

Risk Management Meetings

Attended by Portfolio Management Team and independent Risk Team

- ✓ Ongoing oversight of key risk factors, including cash usage, exposures and concentrations, liquidity and stress tests
- ✓ Rigorous quantitative risk management framework
- ✓ Discuss large individual trades as needed

Ongoing Portfolio Manager Discussions

Constant open dialogue between Portfolio Management Team and asset class portfolio managers

- ✓ Ongoing dialogue on evolving market environment and sector/asset-specific trends
- ✓ Discuss opportunities in the pipeline as well as any key updates on existing investments

Portfolio Management Meeting

Recurring Portfolio Management Team meeting with input from Asset Class Specialists

- ✓ Bottom-up discussion on relative value and market opportunities, with consideration of macro backdrop, supply & demand, valuations and other idiosyncratic themes
- ✓ Asset Class Specialists augment discussion with insights and perspectives on asset-specific trends
- ✓ Portfolio Management team uses quantitative and qualitative factors to make relative value determinations to inform portfolio-level allocation across key strategy pillars
- ✓ Review recent performance and risk factors

The above diagram is provided for illustrative purposes only and is subject to change at any time.

Defined Return Key Portfolio Allocation Considerations

- **Macro Environment**
- **Sector/ Asset-Specific Trends & Relative Value**
- **Historical & Current Valuations**
- **Technical Supply & Demand**
- **Potential Near-Term Catalysts**
- **Risks & Liquidity**

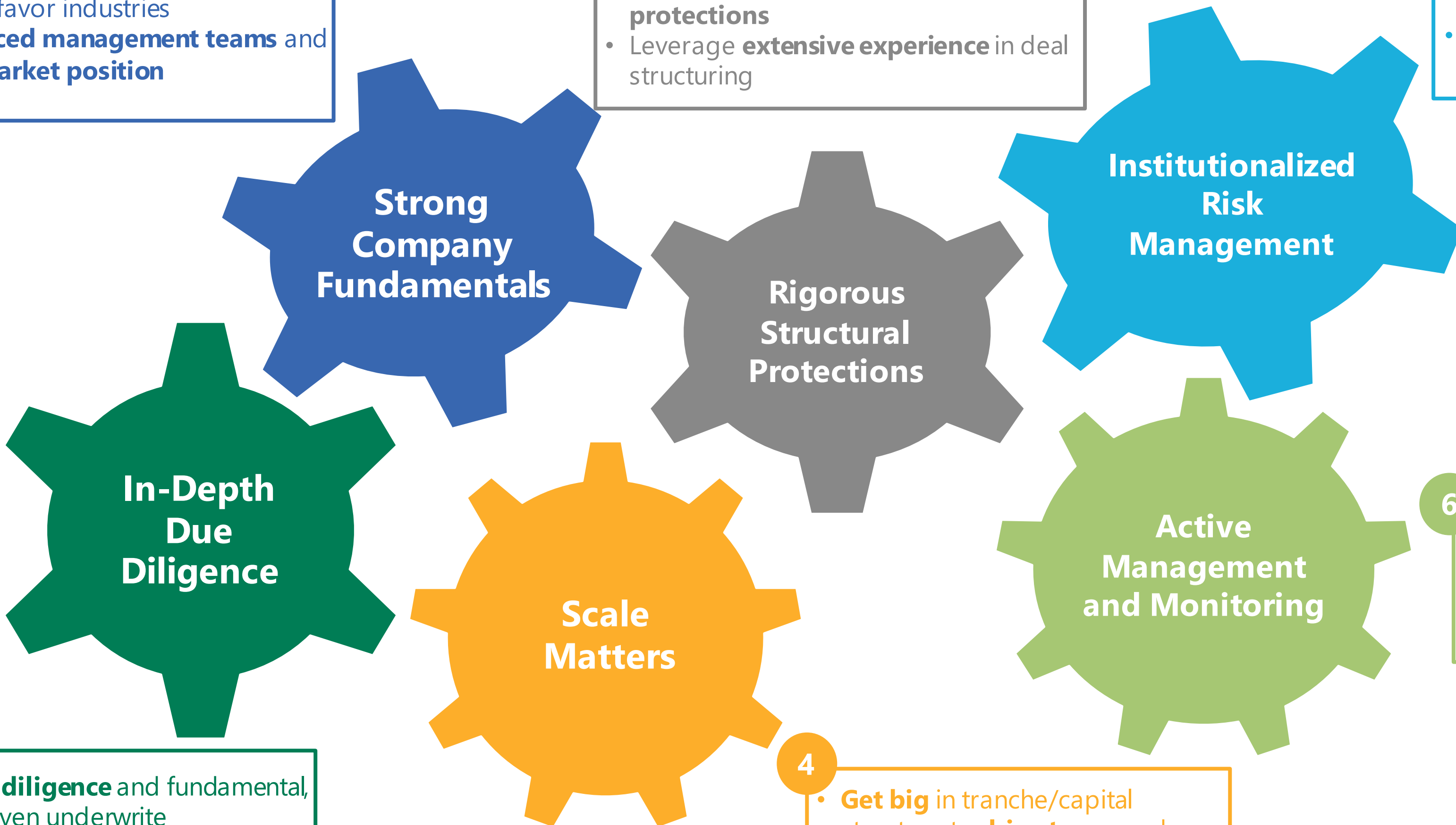
Relative Value-Based Allocation Across 5 Key Strategy Pillars:

- **Levered Performing Credit**
- **Dislocated Credit**
- **Large Scale Origination**
- **Structured Credit**
- **Other Opportunistic Strategies**

The Fund's approach to asset allocation builds on Apollo's *flexible and contrarian investment philosophy*, balancing *near and longer-term relative value* in an effort to *maximize risk-adjusted returns* across all market conditions

All allocation decisions will be made in line with Apollo's Allocation Policy. The above diagram is provided for illustrative purposes only and is subject to change at any time without notice.

Credit Investment Process



1
- Uncover value in **defensive companies** in out-of-favor industries
- **Experienced management teams** and **strong market position**

2
- **PE-style diligence** and fundamental, value-driven underwrite
- Leverage **cross-platform insights**
- **Industry expertise** and extensive management team relationships

3
- Focus on seeking **downside protection** through **meaningful structural protections**
- Leverage **extensive experience** in deal structuring

4
- **Get big** in tranche/capital structure to **drive terms** and enhance economics
- **Control collateral**

5
- **Extensive** portfolio management capabilities
- **Independent** risk management function

6
- Apollo **active** monitoring
- **Dedicated** investment team

Note: For discussion purposes only. Reflects the views and opinions of Apollo Analysts. Subject to change at any time without notice.

Illustrative Case Studies

1 Levered Performing Credit

Gannett (f/k/a New Media)

GANNETT NEWMEDIA INVESTMENT GROUP

Security: 1st Lien Term Loan & Convertible Bond **Industry Sector:** Communications **Initial Investment Date:** November 2019 **Region:** North America

Company Overview

- New Media Investment Group ("New Media") is a **multi-platform local media business in the U.S.,** operating in 615+ local markets across 39 states, reaching a weekly audience of 22 million+. New Media's assets include 156 daily newspapers and 328 weekly newspapers
- Gannett (or the "Company") operates **multi-platform media networks** including (i) 110 local daily papers in 34 states in the U.S. (including USA Today); (ii) 150 papers in the U.K. (NewsQuest) and (iii) a digital market agency (ReachLocal)
- In August 2019, it was announced that **New Media would acquire Gannett** for a combination of cash and stock. The combined business, operating under the name Gannett, has significant scale, ranking as the **largest newspaper in the United States** with approximately 700 papers across 48 states

Opportunity Overview

- Apollo-managed funds offered New Media **greater flexibility than a broadly syndicated solution** by structuring and speaking for a large unitranche solution that provided funding to complete the Gannett transaction via a **5-year, Senior Secured Loan of $1,792 million** with an 11.5% coupon and 5 points of OID
- Apollo-managed funds benefitted from **significant downside protection** due to (i) low creation multiple of 2.6x Adj. EBITDA relative to local newspaper public comps, (ii) substantial debt paydown over the course of the investment as a result of both strong free cash flow generation and asset sales and (iii) tight debt documents (e.g., $5mm debt incurrence capacity, high excess cash flow sweep, springing board seats and restrictive Adj. EBITDA definition)
- Since the transaction closed, Gannett remained focused on cost reductions, including cost synergy implementation and generating cash flow with an eye towards continued de-leveraging
- In November 2020, Apollo worked with Gannett to structure a **par-for-par exchange** of the existing loan into a downsized secured term loan with enhanced amortization and a new $497mm 6% Secured Convertible Note
- In February 2021, Gannett priced a new **$1,045 million 1st Lien Term Loan to refinance the existing term loan**, lowering their cost of capital and repaying Apollo's exposure in the term loan. Apollo-managed funds **retain meaningful upside optionality** in the credit through the convertible bond which we expect to continue to benefit from the Company's deleveraging from asset sales, synergy implementation and free cash flow

Investment example has been provided for discussion purposes only. Represents the views and opinions of Apollo Analysts. Subject to change at any time and without notice. There is no guarantee of future results or that similar investment opportunities will become available in the future or, if available, that such opportunities will be profitable. Past performance is not indicative nor a guarantee of future returns. Investment example was selected using an objective, non-performance based criteria because it represents one of two investments in the Apollo Credit Fund which benefitted from a refinancing catalyst during Q1 2021 (the other is Petco). The Apollo Credit Fund employs the "Levered Performing Credit" strategy expected to be employed by Defined Return. Please see the "Legal Disclaimer" page at the beginning of this presentation for important information on IRR and MOIC.

1 Levered Performing Credit

Petco

Security: 1st Lien Term Loan | **Industry Sector:** Consumer Discretionary | **Region:** North America

Company Overview

- Petco, Inc. ("Petco" or the "Company"), headquartered in San Diego, CA, is the **second largest specialty pet retailer in the U.S. pet industry** and operates 1,468 stores domestically
- The pet industry is **~$95 billion in size** and is expected to grow at a CAGR of **~5% over the next five years** driven by "premiumization" and "humanization"
- Following a period of underperformance in 2017-2018, Petco began to rebound in 2019 as many of the Company's initiatives resulted in **marked performance improvements and a stabilization of EBITDA**
- Petco's investments in e-commerce capabilities and veterinary hospital build-out paid dividends during the pandemic as Petco was able to service customers both in-store and online through its omnichannel offerings
- In January 2021, **Petco took advantage of its improved performance to IPO at $18.00 a share** (12.5x 2020E EBITDA)

Opportunity Overview

- Apollo-managed funds have been invested in the debt of Petco, a specialty retailer of pet food, supplies and services for over 15 years
- In January 2021, prior to the IPO, Apollo-managed funds were able to **opportunistically add to their existing Petco exposure, growing it by ~2.5x** through a block-trade with a forced seller at a price in the mid-90's
- Petco's **1st Lien Term-Loan traded up to par after its successful IPO** in January 2021 as the Company, and the pet retail industry more-broadly, continues to benefit from multiple tailwinds
- Using IPO proceeds and cash on hand, Petco **paid down ~$730 million of the 1st Lien Term Loan at par** in January at par **and retired $300 million of existing unsecured FRNs**
- In February 2021, Petco **refinanced the remainder of its 1st Lien Term Loan with a new $1.2 billion 1st Lien Term Loan** in which Apollo-managed funds participated
  - We view it to be **attractively priced and well positioned** in the market environment given strong coverage, a low **~21% LTV and $6 billion equity cushion**, improving business profile and low attachment point

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2 Dislocated Credit

Intelsat

INTELSAT

Security: 1st Lien Term Loan & DIP Facility | **Industry Sector:** Communications | **Initial Investment Date:** March 2020 | **Region:** North America

Company Overview

- Intelsat SA ("Intelsat" or the "Company") operates **one of the world's largest satellite networks** with 53 satellites positioned around the earth
- Intelsat's network serves a wide range of customers through its three core business segments: **media**: transmission of entertainment, news, sports and other programs for broadcasters, content providers and direct-to-home platforms; **network services**: enterprise networking, aeronautical and maritime connectivity and wireless backhaul; **government**: government and agencies connectivity services
- The Company has come under pressure in recent years from several factors reducing customer bandwidth use, including improved compression technology and end-user substitution to content delivered through internet connection
- Intelsat has licenses to operate 500 MHz of the C-Band spectrum – a frequency that is crucial to the development of the U.S. 5G cellular network – and **has been working with regulatory and private stakeholders** over the past few years to create a framework **for C-band spectrum monetization**
- On March 3, 2020, the Federal Communications Commission outlined an Order that will **allow for operators to be compensated** upon clearing the bottom 300 MHz of the band for auction to wireless carriers. Intelsat is expected to receive **$4.9 billion in total proceeds**
- While $4.9 billion is lower than the Company's expectations, we believe it provides more than sufficient value to cover the 1st lien debt

Opportunity Overview

- When the structure traded lower with the broader market in mid-March 2020, we purchased the 1st Lien Term Loan at an average price of $87, which we view as a compelling price given the (i) **asset coverage** (ii) **tight documentation** and (iii) the **potential near-term catalyst** of a bankruptcy filing
- Following the **Company's Chapter 11 filing in May 2020**, Apollo-managed funds increased their position in the 1st Lien Term Loan in May and June
- Apollo was able to leverage its **large cross-fund holdings** to both **unilaterally negotiate the $1 billion DIP facility** on behalf of the ad-hoc group of Intelsat secured lenders and unsecured bondholders and **secure an outsized allocation of the facility**
- Apollo was also able to negotiate an agreement that all of the secured lenders' prepetition debt will receive, via the cash collateral and adequate protection motions, the current payment of contracted interest, with default and alternative base rate adders
- We reached a **favorable settlement** with the debtors regarding both (i) the **rate of post-petition interest** due to Apollo-managed funds' secured TL facilities, and (ii) the **make-whole premium** to which Apollo-managed funds' secured notes are entitled
- In response, the **term loans traded up ~1-2 points** and the **secured notes traded up ~7-8 points**. Intelsat is now attempting to reach a settlement with the unsecured creditors of its operating and holding company entities
- In May 2021, Apollo Accord Fund III monetized its investment with a **~24% gross IRR**

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Security: 1st Lien Term Loan **Industry Sector:** Consumer Discretionary **Initial Investment Date:** March 2020 **Region:** North America

Company Overview

- PetSmart (or the "Company") is the **largest pet specialty retailer in North America** with over 1,500 stores nationally serving the ~$80 billion U.S. pet supplies and services market
- In 2015, Apollo leveraged insights from the PetSmart LBO to receive the largest 1st Lien Term Loan allocation and by 2016 traded out of the position ahead of company headwinds
- In March 2017, PetSmart **announced plans to acquire Chewy.com** ("Chewy"), a leading online pet supplies retailer for ~$3 billion (2.7x LTM sales), financing the deal with $2 billion of debt and $1 billion of new equity
- In 2018, Apollo-managed funds once again became the largest 1st Lien Term Loan lender to PetSmart
- PetSmart **took Chewy public through an IPO in May 2019** at an $8.6 billion valuation (2.9x purchase price) and paid down $830 million of 1st Lien Debt (15% of outstanding) with proceeds from the IPO
- Subsequent **performance remains strong** for both PetSmart and Chewy
  - At the time of our investment, PetSmart's brick and mortar business had posted eight consecutive quarters of sequential improvement in same store sales growth and had stabilized EBITDA
  - Chewy continued to grow rapidly with improving margins and its market capitalization had risen to ~$14.9 billion. PetSmart owned a 65% stake in Chewy worth $8.3 billion, as of March 31, 2020

Opportunity Overview

- Apollo is very familiar with PetSmart as Apollo-managed funds in aggregate were **previously the largest 1st Lien Term Loan lender**. Apollo-managed funds largely exited their position in early 2020 at prices at or near par
- In March 2020, PetSmart's 1st Lien Term Loan **traded down due in part to market volatility and forced selling**, at which point we started buying back into the position at an average price in the low $90s
- In our view, the 1st Lien Term Loan represented a compelling, **downside protected opportunity** given the security's strong asset coverage, restrictive document and near-term maturity as well as **PetSmart's recession and COVID-19 resistant business model**
  - Pet stores were deemed essential by most states and remained open throughout the COVID-19 pandemic. Similar to grocery stores, specialty pet retailers saw a significant increase in sales as a result of Pet addition, we believed the accelerated shift to online would benefit Chewy, which we expect will outperform as it continues to improve margins and gain market share
- When the position reached target pricing in July 2020, Apollo Accord Fund III monetized its investment with a ~**15% gross IRR**

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PIB

Security: 1st Lien Term Loan	**Industry Sector:** Insurance	**Initial Investment Date:** March 2021	**Region:** Europe

Company Overview

- PIB (or the "Company") is a diversified insurance broking platform that was formed in 2015 to **consolidate reputable insurance broking brands** with dominant market positions, high barriers to entry, strong retention and above market organic growth
- PIB is based in the UK and is led by an **experienced management team** with extensive experienced in insurance broking
- Following a rapid consolidation, the Company reached **critical size for a sale**, and together with Carlyle, its prior sponsor, began discussions in Q4 2020 with several interested parties
- Apax, the acquiring sponsor, was ultimately awarded exclusivity by leveraging its industry expertise to put forth an attractive offer and preempt a broader sales process
- Timing and confidentiality were paramount to Apax, which sought a private rather than broadly syndication solution given the need to secure financing before the three-week exclusivity expired as well as the sensitive nature of the deal

Opportunity Overview

- On New Year's Eve 2020, Apax approached Apollo with the opportunity to anchor a £482 million of fully committed financing in connection with its purchase of PIB
- Apollo-managed funds are an **existing lender to both PIB and Apax's related entities**
- Leveraging our incumbency, significant insurance insights and ability to commit to the entire financing, we were able to drive favorable economic terms and meaningful downside protection
- The **1st Lien Term Loan** has a **seven-year maturity** and pays **L+6.25%** subject to a leveraged-based margin ratchet, with **1.0 point OID**
- The Company's capital structure is underpinned by a **significant equity cushion**, which is supported by consistently high valuations in the insurance broking sector
- Additional sources of downside protection include (i) PIB's high proportion of **recurring revenues** and its diverse customer base, (ii) the **meaningful support from both Carlyle and Apax**, demonstrating confidence in PIB's growth trajectory and (iii) the resiliency of the business, with **multiple operational levers to pull in times of stress**
- Despite an exceptionally constructive backdrop for public issuance, Apollo was ultimately able to leverage its **scale, incumbency and ability to work within compressed timeframes** to secure an attractive risk-adjusted investment through an off-market offering process

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3 Large Scale Origination

New Fortress Energy

Security: 1st Lien Term Loan	**Industry Sector:** Natural Gas	**Initial Investment Date:** January 2020	**Region:** North America

Company Overview

- New Fortress Energy (or the "Company") is a **liquefied natural gas ("LNG") regasification ("regas") company** with a ~$2.5 billion market cap whose business model is to bring significantly lower cost and more environmentally friendly natural gas to regions that do not have domestic oil & gas resources
- New Fortress Energy is capitalizing on the rise of global LNG supply in recent years and bringing this fuel to isolated markets who historically were limited to burning higher cost and less environmentally-friendly diesel fuel for power generation
- The Company finds anchor customers by converting existing diesel-fired power plants to natural gas and then building an LNG regas terminal nearby to supply the utility

Opportunity Overview

- Apollo-managed funds provided a **$800 million 1st Lien Term Loan** that refinanced the Company's existing $500 million of credit facilities while also providing future development capital
- The term loan was **designed to be a bridge** to a more permanent financing for the Company once its current projects came online and started generating positive EBITDA
- The Company is developing four regas terminal assets in Jamaica, Puerto Rico and Mexico and is also building its own power generation assets in Jamaica and Mexico. An additional ~$360 million of capex was necessary to finish these facilities that were expected to generate $194 million of EBITDA based on only the currently committed volumes (which represented 22% utilization of constructed capacity)
- The new financing consisted of a **3-year, 1st Lien Term Loan** at **L+6.25% with a 150 bps coupon step-up every calendar year and 2.5 points OID**
- The credit agreement was written with **tight provisions** that would limit the Company's ability to incur debt and make restricted payments except for specific purposes. By limiting the Company's ability to fund additional projects by taking on additional debt, these provisions, together with the annual coupon step-up, **strongly incentivized near-term repayment**
- In August 2020, New Fortress Energy closed on $1 billion (upsized from $800 million) in 5-year Senior Secured Notes at 6.75%, highlighting the attractive relative risk reward of Apollo's loan, which was repaid at a **~13% gross IRR**

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Security: ABS Bridge Facility	**Industry Sector:** Automotive	**Initial Investment Date:** November 2020	**Region:** North America

Company Overview

- Hertz (or the "Company") is one of the world's **largest car rental companies**, with approximately 10,200 corporate and franchisee locations globally
- Pre-COVID-19, Hertz, was on track to deliver another consecutive quarter of revenue and EBITDA growth
- The pandemic caused car rental volumes to decline ~70% versus 2019 causing Hertz to suffer operationally and financially and culminating in a bankruptcy filing in May 2020
- Following the Company's filing, Apollo-managed funds have been **leading members of the steering committee** ("steerco") of an ad hoc group of first lien creditors and become the **largest beneficial holder** of first lien indebtedness within the ad hoc group
- In order to emerge from bankruptcy with a viable business, Hertz planned to **refresh its rental car fleet in 2021** and anticipated the purchase of approximately 229,000 vehicles
- Leveraging the scale of its cross-fund holdings and role as the central negotiator of the DIP facility, **Apollo was able to drive terms and secure the largest allocation** to the DIP backstop commitment (~$547 million)

Opportunity Overview

- As part of their bankruptcy emergence plan, Hertz required an incremental $4 billion of committed financing to "re-fleet" in order to prevent an aging fleet from negatively impacting customer perceptions
- Utilizing its breadth of structuring capabilities, integrated platform and access to permanent capital, in November 2020, Apollo was able to move quickly to **source, structure and commit to the full $4 billion ABS bridge facility**:
  - Structured with a **1-year maturity secured by hard assets**
  - Characterized by **tight documentation and rigorous structural projections**, including lower advance rates, which provide greater downside protection than comparable ABS structures
  - Expected to **provide ~200+ basis points of excess return** compared to similar IG-rated ABS risk
- We believe Apollo's **in-depth knowledge and experience** across the automotive and transportation sectors and **familiarity with the Company** was a critical differentiator that allowed Apollo provide the Company with a **"one-stop solution"**
- In conjunction with Hertz's emergence from bankruptcy in June 2021, SCRF IV's position in the bridge facility was fully repaid, generating a **~17.5% gross IRR**

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Guilden XII

Security: Senior Corporate Credit Portfolio | **Industry Sector:** Financials | **Initial Investment Date:** December 2017 | **Region:** Europe

Situation Overview

- Guilden XII was a **regulatory capital trade entered into with a large European bank** (the "Bank") for a reference portfolio of senior, primarily revolving, unsecured and secured investment grade and high yield corporate credit facilities
- We view the transaction as a **strategic partnership** that allows the Bank to hedge its corporate lending book, free up balance sheet lending capacity and release regulatory capital held against the portfolio
- The Bank has a track record in such transactions dating back to 2011, including Guilden X in which Apollo participated. There have been **no credit events in transactions** issued under the Guilden shelf name
- Apollo provided a **protection, via a credit linked note**, which was first tranched into a first loss and a mezzanine, into which Apollo-managed funds invested. During the second part of the transaction, SCRF IV as first loss investor ended up owning 100% directly

Investment Thesis

- The portfolio was **primarily comprised of corporate loans**, with an average BB+ / BB ratings, extended to key, existing clients of the Bank
  - The initial portfolio size was $750 million with 155 obligors and a 3mL + 9.50% coupon
  - Investors' **only exposure to loss would be a credit event**, defined as failure to pay, bankruptcy, restructuring or government intervention
- At the time of the investment, Apollo reviewed the initial portfolio to evaluate the underlying credit risk. The transaction was an expression of our view on the Bank's credit origination, monitoring and workout processes
- Throughout the life of the trade, the portfolio remained **largely stable and did not experience any credit events** (i.e., zero losses in the reference portfolio, even as the underlying credits traded down materially) benefiting from low concentrations on B+ or lower rated risk and low COVID-19 related exposures
  - **Fully funded protection without ongoing market-to-market posting requirements** limited exposure to volatility during the recent COVID-19 period
- In April 2021, SCRF IV realized the investment with a ~**13% gross IRR**

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5 Other Opportunistic Strategies

Security: Secondary Market Freighter Acquisition	**Industry Sector:** Aviation	**Initial Investment Date:** January 2021	**Region:** North America

Company Overview

- Atlas Air Worldwide ("Atlas" or the "Operator") is a leading global provider of outsourced aircraft and aviation operating services, and operates the world's largest fleet of 747 freighters
- Atlas is a **high-quality counterparty** and has successfully operated at a profit with strong free cash flow generation, given the sustained strength in the dedicated freighter market
  - We anticipate Atlas to **successfully navigate through the pandemic** and maintain its robust financial position, with performance driven by **strong macro tailwinds** supporting the dedicated freighter market
- The **Boeing 747-400F** is a long-haul widebody freighter which comprises ~44% of the operator's total fleet, demonstrating its **core nature** to the Operator's strategy
- The aircraft type has experienced continued strong demand in the current market environment aided by its ability to provide **high-capacity time-definite services**, and due to the reduction in widebody passenger aircraft usage and ensuing shortage in cargo capacity driven by COVID-19
  - The aircraft the Operator was looking to lease is a factory-built freighter with nose-loading capabilities. Factory-built freighters have superior payload and cargo volume capacity relative to converted types
- Given the specialized operating capabilities of the asset type, we believe the 747-400F will remain an **integral part of the Operator's fleet**

Opportunity Overview

- Merx, on behalf of Navigator, acquired one **2000-vintage 747-400 factory freighter on lease to Atlas** with a current anticipated **gross IRR of ~19%**
- The investment follows our **positive outlook on the dedicated air freight market** given the current undersupply of freight capacity, continued growth in express and e-commerce sectors and the need for long-haul freight capacity
- We were able to source this bespoke opportunity as a result of **established industry relationships** and **significant experience investing in and managing freighter assets**
- Our understanding of the asset type from both a commercial and technical standpoint was key in executing the deal at an attractive level due to legal and technical complexities
- Navigator simultaneously **negotiated a 6-year lease extension**, which featured a stepped rental construct that significantly de-risks the transaction, with **over 80% of the initial cost basis recovered within 24 months through contracted rental cash flow**
- We believe the transaction benefits from **significant downside protection** through ample near-term contracted rent from a credit that is thriving, with strong opportunity for upside through active management
- We view this investment as demonstrating our ability to opportunistically **deploy capital across the spectrum of aircraft type** and **negotiate favorable transaction structures** that present an attractive risk-adjusted return

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danimer scientific

Security: SPAC PIPE | **Industry Sector:** Industrials | **Initial Investment Date:** October 2020 | **Region:** North America

Company Overview

- Danimer Scientific ("Danimer" or the "Company") is a biopolymer manufacturer of PHA which is a **100% biodegradable plastic alternative**
- Danimer is the **first commercial producer of home-compostable and marine-degradable PHA** which can be converted into a wide range of plastics applications
  - The plastics market has seen growing awareness around sustainability and recycling challenges regarding traditional plastics, especially as an estimated 40-50% are single use while biodegradables only make up 1% of the current market
- The production process also uses renewable resources versus traditional fossil fuel-based plastics, making PHA an **end-to-end green product**
- Danimer's manufacturing plant has been **steadily ramping production capacity** since its launch in March 2020
  - At completion of its planned capacity expansion, Danimer will account for only 0.06% of the $600 billion global plastics market, underscoring the **future growth potential**
  - The Company also **retains demand from significant multi-year contracts** with several brand-name consumer packaged goods companies for its PHA products

Opportunity Overview

- In many transactions, a SPAC's sponsor will partner with investors to provide a private investment in public equity ("PIPE") once a target is identified in order to fund a transaction that would otherwise be too large for the SPAC to digest
- Accordingly, in October 2020, Apollo-managed funds invested in a **SPAC-related PIPE to fund the acquisition of Danimer** by Live Oak Acquisition Corp., a SPAC sponsored by John Amboian, former CEO of Nuveen Investments and Richard Hendrix, former CEO of FBR & Co.
  - Apollo-managed funds committed **$25 million at $10 per share**, representing 12% of the total PIPE raise
- Apollo viewed the opportunity as a growing, **ESG-friendly** business at a **compelling valuation** before the public market
- Apollo's **strong relationship** with Live Oak provided for an **anchor allocation despite excess market demand**
- The transaction was **well-received by the market with the equity trading over $40** in the months following the deal announcement and shareholders overwhelmingly approved the transaction
  - We believe this transaction structure has **attractive downside-protected optionality** as funding is contingent upon shareholder approval thresholds
  - In June 2021, Apollo-managed funds realized the position at a **2.4x MOIC**

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Appendix

Biographies

John Zito – Senior Partner, Deputy CIO of Credit

John Zito is the Deputy Chief Investment Officer of Credit at Apollo Global Management. Mr. Zito is the Senior Portfolio Manager of multiple products across Apollo's credit platform, and serves on all of the Firm's credit investment committees. Mr. Zito joined Apollo in 2012 after five years as a Managing Director and Portfolio Manager at Brencourt Advisors, a multi-strategy hedge fund, where he oversaw all the firm's credit investments including the Brencourt Credit Opportunities Fund. Prior to that, Mr. Zito was at Veritas Fund Group for five years where he co-managed the flagship capital structure focused high yield fund and the short only credit vehicle. Mr. Zito is a Chartered Financial Analyst charterholder and he graduated cum laude from Amherst College with an A.B. in Economics.

Akila Grewal – Managing Director, Client and Product Solutions

Akila Grewal is a Managing Director in the Client and Product Solutions group, having joined Apollo in 2016. Ms. Grewal serves as the Co-Head of Product for Apollo's Credit platform and is responsible for managing the product specialist and investor relations effort of this business. Ms. Grewal currently serves on several firm committees including Apollo's Credit Allocations Sub-Committee. Prior to joining Apollo, Ms. Grewal was on the Proprietary Trading and Risk Management team at Mariner Investment Group. Prior to that, Ms. Grewal was in the Business Development group at MKP Capital. Ms. Grewal started her career at Credit Suisse on the Portfolio Management and Product Delivery team within the firm's fund of hedge funds. Ms. Grewal previously served on the Principle of Responsible Investment's Hedge Fund Steering Committee and their Fixed Income Outreach Committee. Ms. Grewal graduated from New York University's Stern School of Business with a B.S. in Finance and is a CFA charterholder.

Risk Factors and Definitions

Risk Factors

Prospective investors should be aware that an investment in a fund entails substantial risks, including but not limited to those listed below. Prospective investors should carefully read the applicable Fund's PPM for additional risk factors in determining whether an investment in a Fund is suitable. Prior to investing, prospective investors should consult with their own tax and legal advisors.

- **Potential Loss of Investment –** No guarantee or representation is made that a Fund's investment strategy will be successful. An investment in a Fund could require a long-term commitment, with limited liquidity and the risk of loss of capital. Such an investment is speculative and involves a high degree of risk. Investors must have the financial ability, sophistication, experience and willingness to evaluate the merits and bear the risks of such an investment. Such an investment is not suitable for all potential investors. Investors could lose part or all of an investment, and a Fund could incur losses in markets where major indices are rising and falling. Only qualified eligible investors could invest in a Fund. Results could be volatile. Accordingly, investors should understand that past performance is not indicative nor a guarantee of future results.
- **Volatile Markets.** Difficult market or economic conditions could adversely affect a Fund's performance. Market prices are difficult to predict and are influenced by many factors, including, but not limited to changes in interest rates, government intervention and changes in national and international political and economic events. The performance of a Fund is based on a number of assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change.
- **Legal, Tax, Regulatory, and Political Risks.** The Funds are not registered under the Investment Company Act of 1940. As a result, investors will not receive the protections of the Investment Company Act afforded to investors in registered investment companies (e.g., mutual funds). The Funds' offering documents are not reviewed or approved by federal or state regulators and the Funds' privately placed interests are not federally or state registered. In addition, the Funds could engage in trading on non-US exchanges and markets. These markets and exchanges could exercise less regulatory oversight and supervision over transactions and participants in transactions. Legal, tax and regulatory changes (including changing enforcement priorities, changing interpretations of legal and regulatory precedents or varying applications of laws and regulations) could adversely affect performance of a Fund. Changes in the political environment and the potential for governmental policy changes and regulatory reform could impact the performance of an investment. Certain Funds invest in foreign countries and securities of issuers located outside of the U.S., which could involve foreign exchange, political, social, economic and tax uncertainties and risks.
- **Reliance on Key Personnel.** Apollo and/or its affiliates have total trading authority over the Funds and will be subject to various conflicts of interest. The success of the investment could depend in large part upon the skill and expertise of certain Apollo professionals. Such professionals could be subject to various conflicts of interest and will from time to time work on other projects or products for Apollo and or its affiliates. The death, disability or departure of certain individuals affiliated with Apollo may have a material effect on the Funds.
- **Potential Conflicts of Interest.** There will be occasions when Apollo and its affiliates will encounter potential conflicts of interest in connection with their activities including, without limitation, the activities of Apollo and key personnel, the allocation of investment opportunities to investors, conflicting fiduciary duties and the diverse interests of the Apollo-managed Funds' limited partner group.
- **Fees and Expenses.** The Funds are subject to substantial charges for management, performance and other fees regardless of whether a Fund has a positive return. Please refer to the applicable Fund's PPM or other governing documents for a more complete description of risks and a comprehensive description of expenses to be charged to that Fund.
- **Lack of Operating History.** The Funds have little or no operating history.
- **Limited Liquidity.** Investments in the Funds are illiquid and there are significant restrictions on transferring interests in the Funds. No secondary public market for the sale of the Funds' interests exists, nor is one likely or expected to develop. In addition, interests will not be freely transferable.
- **Valuation Risk.** The net asset value of a Fund may be determined by its manager, adviser or general partner, as applicable, or based on information reported from underlying portfolio companies. Certain portfolio assets could be illiquid and without a readily ascertainable market value. Valuations of portfolio companies could be difficult to verify.
- **Use of Leverage.** A Fund could utilize leverage and could also invest in forward contracts, options, swaps and over-the-counter derivative instruments, among others. Like other leveraged investments, trading in these securities and instruments could result in losses in excess of the amount invested.
- **Concentration.** The Funds could hold only a limited number of investments, which could mean a lack of diversification and higher risk.
- **Due Diligence.** The due diligence process undertaken in connection with investments by our Funds may not reveal all facts that could be relevant in connection with an investment.
- **Counterparty and Bankruptcy Risk.** Although Apollo will attempt to limit the Funds' transactions to counterparties which are established, well-capitalized and creditworthy, the Funds will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Funds to substantial losses.
- **Tax Risks.** Investors in the Funds are subject to pass-through tax treatment of their investment. Since profits generally will be reinvested in the Funds rather than distributed to investors, investors could incur tax liabilities during a year in which they have not received a distribution of any cash from the Funds.
- **Possible Delays in Reporting Tax Information.** Each Fund's investment strategy could cause delays in important tax information being sent to investors.
- **Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.** Apollo's business activities as well as the activities of the Issuer and their respective operations and investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues, including but not limited to COVID-19.
- **LIBOR Transition.** The transition away from LIBOR to other reference rates could lead to increased volatility and illiquidity in markets that are tied to LIBOR.

In order to manage possible risks resulting from our decision not to implement information barriers, our compliance personnel maintain a list of restricted securities as to which we have access to material, non-public information and in which our funds and investment professionals are not permitted to trade. Inadvertent trading on material non-public information could have adverse effects on our reputation, result in the imposition of regulatory or financial sanctions and as a consequence, negatively impact our financial condition. In addition, we could in the future decide that it is advisable to establish information barriers, particularly as our business expands and diversifies. In such event, our ability to operate as an integrated platform will be restricted. The establishment of such information barriers may also lead to operational disruptions and result in restructuring costs, including costs related to hiring additional personnel as existing investment professionals are allocated to either side of such barriers, which may adversely affect our business.

Risk Factors and Definitions

Assets Under Management ("AUM") Definition – Assets under management, capital managed and other similar terms used herein ("AUM") refers to the assets of the funds, partnerships, and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Apollo's AUM equals the sum of: (i) the net asset value, or "NAV," plus used or available leverage and/or capital commitments, or gross assets plus capital commitments, of the credit funds, partnerships and accounts for which Apollo provides investment management or advisory services, other than certain collateralized loan obligations ("CLOs"), collateralized debt obligations ("CDOs"), and certain permanent capital vehicles, which have a fee-generating basis other than the mark-to-market value of the underlying assets, (ii) the fair value of the investments of the private equity and real assets funds, partnerships and accounts Apollo manages or advises plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments, plus portfolio level financings; for certain permanent capital vehicles in real assets, gross asset value plus available financing capacity, (iii) the gross asset value associated with the reinsurance investments of the portfolio company assets Apollo manages or advises and the fair value of any other assets that Apollo manages or advises for the funds, partnerships and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Apollo's AUM measure includes assets under management for which Apollo charges either nominal or zero fees. Apollo's AUM measure also includes assets for which Apollo does not have investment discretion, including certain assets for which Apollo earns only investment-related service fees, rather than management or advisory fees. Apollo's definition of AUM is not based on any definition of assets under management contained in Apollo's operating agreement or in any of the Apollo fund management agreements. Apollo considers multiple factors for determining what should be included in Apollo's definition of AUM. Such factors include but are not limited to (1) Apollo's ability to influence the investment decisions for existing and available assets, (2) Apollo's ability to generate income from the underlying assets in Apollo's funds, and (3) the AUM measures that Apollo uses internally or believes are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, Apollo's calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. Apollo's calculation also differs from the manner in which Apollo's affiliates registered with the United States Securities and Exchange Commission (the "SEC") report "Regulatory Assets Under Management" on Form ADV and Form PF in various ways.

Index Definitions:

- *S&P Leveraged Loan Index* is an index designed to mirror the investable universe of the US leveraged loan market.
- *Credit Suisse Leveraged Loan Index* is an index designed to mirror the investable universe of the US leveraged loan market.
- *Merrill Lynch High-Yield Master II Index* is a market value-weighted index of all domestic and Yankee high-yield bonds.
- *S&P / LSTA Leveraged Loan 100* is an index designed to reflect the performance of the largest facilities in the US leveraged loan market.

Important Notes Regarding the Use of Index Comparisons:

There are significant differences between the Funds and the indices described above. For instance, the Funds may use leverage and invest in securities or financial instruments that have a greater degree of risk and volatility, as well as less liquidity than those securities or financial instruments contained in the indices. It should not be assumed the Funds will invest in any specific securities that comprise an index nor should it be understood to mean there is a correlation between the Funds' returns and any indices' performance.

SPAC Historical Performance Disclaimer

Apollo's historical performance for SPAC-related transactions is comprised of those historical common equity SPAC-related transactions that Apollo funds have made across Apollo's opportunistic credit platform, including Apollo Credit Strategies Master Fund Ltd., Apollo PPF Credit Strategies, LLC, Apollo A-N Credit Fund (Delaware), L.P., Apollo Atlas Master Fund, LLC and five sub-advised funds (herein, the "Funds"), between April 2018 through June 2021. This covers the period in which Funds began to make significant investments in SPACs and includes both unrealized and realized returns, from common equity investments in SPAC offerings as well as secondary equity trading in SPACs ("Equity SPAC-related Transactions"). The investments herein were selected on the basis that they fall within the scope of the investment mandate of Apollo SPAC Partnership ("ASP") and are not indicative of all of the SPAC-related investments made by Apollo-managed funds and accounts.

This information is not intended to suggest that any future account will make the same or similar investments and should only be used to assess Apollo's experience generally in Equity SPAC-related Transactions. This information should not be used to assess the team's ability to successfully implement the ASP investment strategy.

While Apollo believes that this information includes all applicable historical Equity SPAC-related Transactions, there can be no assurance as to the validity, thoroughness, or accuracy of Apollo's determination methodology. Note that no Apollo-managed fund or account has achieved this gross or implied-net performance, and the data is provided for information purposes only to indicate overall performance in Equity SPAC-related Transactions across the opportunistic credit Funds disclosed herein. However, because the investments included herein reflect only a subset of the aggregate portfolios of Funds from which the investments were taken, such Funds have experienced significantly different returns than the returns provided herein for the historical Equity SPAC-related Transactions. Moreover, while certain members of the applicable investment committee were involved in the consummation of certain of the historical representative transactions described herein, the sourcing of these transactions and the decisions to consummate these transactions were not all necessarily made by the same group of professionals, some of which may no longer be employed by Apollo, or the same investment committee.

Past performance is not indicative nor a guarantee of future results. There is no guarantee that similar investment opportunities will be available in the future, or if available, that such opportunities will be profitable. Information respecting prior performance, while a useful tool in evaluating an Apollo-managed fund's investment activities, is not necessarily indicative of actual results to be achieved for unrealized investments, the realization of which is dependent upon many factors, many of which are beyond the control of Apollo. Further, there can be no assurance that the indicated valuations for unrealized investments accurately reflect the amounts for which the subject investments will be sold.

The gross IRR calculated disclosed herein represents the cumulative gross IRR of all of the respective historical Equity SPAC-related Transactions across the Funds, regardless of size.

"Gross IRR" of a credit fund represents the annual implied discount rate that makes the net present value of all cash flows related to a fund's investments equal to zero. Gross IRR is calculated based on the actual timing of all cumulative fund cash flows before management fees, performance fees allocated to the general partner and certain other expenses. Calculations may include certain investors that do not pay fees. The terminal value is the net asset value as of the reporting date. Cash flows and residual values used to calculate Gross IRR for non-U.S. dollar denominated funds are denominated in the applicable fund's designated currency. When calculating gross IRR with respect to an investment, a series of cash flows is created starting with the initial cash outlay for the investment and any subsequent investments followed by cash receipts (e.g., sale or current income proceeds). The gross IRR is based on a 365-day year and time-weights each daily cash flow based on a ratio of the actual days invested over 365. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor.

For these historical Equity SPAC-related Transactions, an "implied net IRR" is provided for the purposes of illustrating the impact of management fees and carried interest had the respective investments been executed as a single investment portfolio. This analysis utilizes certain assumptions in order to derive implied net IRRs. Implied net IRR means the gross IRR respectively, adjusted for management fees, and carried interest. Management fees were derived using a straight through assumption of 35 bps per annum for each year of the track record. The carried interest deducted has been calculated on the basis that no carried interest was received until the most recent valuation date , whereas under the terms of the Fund, carried interest could have been deducted earlier which may have resulted in a lower implied net IRR. Note that the implied net returns reflected herein do not account for expenses incurred in connection with these Equity SPAC-related Transactions. Implied net returns will be lower after deduction of such expenses. These fee calculations are hypothetical and do not represent the net IRR any investor, and the assumptions described may not be indicative of any investor's actual experience. The carried interest, management fees the individual Funds whose investments are represented herein may vary from those used here. The rates were selected to be representative of what we believe a future Fund employing the ASP strategy may use.

Please note, with respect to portfolio investment valuations that are based on public market prices; notwithstanding the period over which such valuations are based, public market valuations are inherently volatile and subject to change and, while relevant for purposes of this table, may not necessarily be indicative of the inherent value of the underlying portfolio investment or the actual value to be realized from such portfolio investment. In addition, neither control premiums nor liquidity discounts are assigned to any particular portfolio investment. Valuations are before giving effect to transaction costs and management fees, incentive compensation, and certain other expenses, which in the aggregate are expected to be substantial. The effect of such costs and expenses would reduce actual realizations from such valuations. Indicated valuations are before giving effect to any tax obligations arising on investment realizing, whether direct to an investor or resultant from portfolio investments, some of which are held through alternative investment vehicles that have independent tax reporting obligations. Valuations shown here may differ from those utilized by third parties based on methodologies different from those employed by the respective funds. Any estimated valuations and IRR calculations will be dependent upon many factors, including timing of an actual amounts realized on final portfolio investment dispositions.

Apollo Capital Management, L.P.

Apollo Credit Fund GIPS Disclosure
Reporting Currency: USD

Year	Net Return (%)	Benchmark S&P Leveraged Loan Index (%)	Fund 3-Yr Standard Deviation (%)	Benchmark 3-Yr Standard Deviation (%)	Fund Assets ($MM)	Firm Assets ($MM)
2011	8.1	1.5	N/A	N/A	1,718	30,874
2012	15.4	9.7	4.1	4.5	1,755	31,203
2013	8.6	5.3	3.4	3.8	2,165	33,043
2014	4.8	1.6	2.2	2.1	1,980	43,719
2015	0.8	(0.7)	2.8	2.1	2,077	45,106
2016	13.2	10.2	4.5	2.9	2,438	50,775
2017	4.6	4.1	4.4	2.7	2,819	58,319
2018	-1.6	0.4	4.8	2.9	2,478	61,260
2019	11.1	8.6	3.7	2.8	1,543	156,394
2020	6.1	3.1	9.9	8.8	1,318	208,746

For the purpose of complying with the GIPS standards, the Firm is defined as Apollo Capital Management, L.P., an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940, which, through direct and indirect subsidiaries, serves as the investment adviser for the Credit division of Apollo Global Management, Inc. Certain funds managed by Apollo Capital Management, L.P. (and its affiliated and/or relying advisers) are excluded from the definition of the Firm as those funds are deemed to be operated in a manner materially different from the core investment mandate of the Firm.

Total GIPS Firm AUM excludes non-managed assets and the impact of credit facilities.

Apollo Capital Management, L.P. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Apollo Capital Management, L.P. has been independently verified for the periods January 1, 2010 to December 31, 2020. The verification report is 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.

The Apollo Credit Fund (the "Fund" or "we") is an actively managed, long-biased fund focused primarily on liquid, performing senior secured credit. The Fund utilizes a targeted investment approach with a focus on high current income, catalyst-driven and defensive investments. We aim to dynamically shift allocations to each type of investment based on market conditions and the macroeconomic environment. We believe this approach provides for attractive risk-adjusted returns while minimizing correlation to the overall credit market. Additionally, the Fund uses what we believe are tail-risk hedges to help protect against significant market volatility. The Fund also utilizes $1.9 billion of financing at a weighted average funding cost of LIBOR + 135 basis points. The Fund typically manages its leverage levels between 0.5x and 1.5x. The Fund targets net returns of 8-12%, and seeks to generate net interest income of approximately 8-10%. Portfolios employ tail-risk hedge to help protect against significant market volatility. Derivatives may be used on occasion in place of cash instruments when the Firm believes it is more efficient to do so. Derivatives may also be used to hedge the portfolios from both market and systemic risk.

S&P Leveraged Loan Indexes (S&P LL indexes) are capitalization-weighted syndicated loan indexes based upon market weightings, spreads and interest payments. The S&P/LSTA Leveraged Loan Index (LLI) covers the U.S. market back to 1997 and currently calculates on a daily basis. Benchmark returns are not covered by the report of independent verifiers.

Net returns are calculated using actual fees of each portfolio in the composite. Net returns include all fees, including management fees, incentive fees, trading fees and administrative fees. Performance results are calculated utilizing a time-weighted methodology. Fee structure for individual investors within fund may vary. Generally the strategy fees consist of a management fee of 0.85% per annum and an incentive fee of 15% based on performance of the fund with 7% preferred return or a management fee of 0.85% per annum and an incentive fee of 15% based on a 5% hurdle rate. The total expense ratio as of Dec 31, 2020 was 0.93%. Actual fees may differ from the fee structure provided for this fund which have been used to calculate net returns.

Return figures represent past performance and are not indicative of future returns which may vary. Accounts are valued pursuant to Apollo Capital Management, L.P.'s Valuation Procedures and reflect Apollo Capital Management, L.P.'s good faith estimate of fair market levels for all positions, which may not be realized upon liquidation. Apollo Capital Management, L.P.'s policies for valuing investments, calculating performance and preparing GIPS reports are available upon request.

The three-year annualized ex-post standard deviation of the fund is not presented for periods prior to year 2012 because 36 monthly returns are not available. Risk measures are calculated and presented on Net returns.

Performance shown prior to December 31, 2012 contains results achieved by the team while part of Stone Tower Debt Advisors, LLC.

A list including composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request.

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Fund inception date: October 2005.

Apollo Capital Management, L.P.

Hedged Opportunistic Credit Composite
Reporting Currency: USD

Year	Net Return (%)	Composite 3-Yr Standard Deviation (%)	# of Portfolios	Composite Assets ($MM)	Firm Assets ($MM)
2015*	(1.9)	N/A	< 5	251.9	45,106
2016	11.6	N/A	< 5	219.4	50,775
2017	9.8	N/A	< 5	413.5	58,319
2018	4.4	3.8	< 5	399.3	61,260
2019	15.4	3.7	< 5	701.7	156,394
2020	12.3	5.2	8	1,816.8	208,746

*Returns are for the period from October 1, 2015 to December 31, 2015.

For the purpose of complying with the GIPS standards, the Firm is defined as Apollo Capital Management, L.P., an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940, which, through direct and indirect subsidiaries, serves as the investment adviser for the Credit division of Apollo Global Management, Inc. Certain funds managed by Apollo Capital Management, L.P. (and its affiliated and/or relying advisers) are excluded from the definition of the Firm as those funds are deemed to be operated in a manner materially different from the core investment mandate of the Firm.

Total GIPS Firm AUM excludes non-managed assets and the impact of credit facilities.

Apollo Capital Management, L.P. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Apollo Capital Management, L.P. has been independently verified for the periods January 1, 2010 to December 31, 2020. The verification report is 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.

The Hedged Opportunistic Credit composite consists of portfolios that focus primarily in event-driven and value-oriented investments in corporate and structured credit and also include exposure to less liquid opportunities. Portfolios seek to generate positive absolute returns on capital while maintaining a moderate risk profile by investing on a long and short basis and to opportunistically allocate across asset classes to capitalize on relative value opportunities. Derivatives may be used on occasion in place of cash instruments when the Firm believes it is more efficient to do so. Derivatives may also be used to hedge the portfolios from both market and systemic risk.

A benchmark has not been presented for this composite. There is currently no existing benchmark that the Investment Manager believes is a suitable index for comparison.

Net returns are calculated using actual fees of each portfolio in the composite. Net returns include all fees, including management fees, incentive fees, trading fees and administrative fees. Performance results are calculated utilizing a time-weighted methodology. Fee structure for individual portfolios within composite may vary. Generally the strategy fees consist of a management fee of 1% per annum and an incentive fee of up to 22% based on performance of the individual fund, subject to negotiation and after achieving the hurdle rate. Realization of incentive fees vary from annually to fund liquidation. Actual fees may differ from the fee structure provided for this composite which have been used to calculate net returns.

Return figures represent past performance and are not indicative of future returns which may vary. Accounts are valued pursuant to Apollo Capital Management, L.P.'s Valuation Procedures and reflect Apollo Capital Management, L.P.'s good faith estimate of fair market levels for all positions, which may not be realized upon liquidation. Apollo Capital Management, L.P.'s policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.

Internal dispersion of the composite is not presented because the composite did not have more than 5 portfolios for an entire year. The three-year annualized ex-post standard deviation of the composite is not presented prior to 2018 because 36 monthly returns are not available. Risk measures are calculated and presented on Net returns.

A list including composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds is available upon request.

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Composite creation date: July 2015. Composite Inception date: October 2015.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
December 21, 2021

RE: Angelo Gordon Direct Lending Separately Managed Account

Over the last several months the Department of Trust Land's Staff (Staff) has reviewed options for generating greater returns in the fixed income asset class and to reduce the transition account balance. The first issue is well known given the ultra-low interest rate environment that prevails globally. The issue is compounded by the fact that most higher yielding private credit funds are closed-end, limited term funds that begin making distributions within a few months or a year after initial investment. This return of capital creates reinvestment risk, the risk of having to reinvest distributions at lower returns until a sufficient amount is accumulated to make a meaningful investment in a new or follow-on private credit fund.

The second issue of expediting the investment of capital in the transition account is related to the lack of capital calls within the opportunistic investment asset class and the slow pacing of calls in private equity and private infrastructure asset classes. In the last few months, we have sought to partially address these issues by adding a second private infrastructure manager and adding a private equity secondaries fund. Nevertheless, there will continue to be a slow pacing of private equity primary investments.

To address these issues Staff has engaged one of its best in class fixed income managers to customize a solution for the Permanent Trust Funds (PTFs). Angelo Gordon has agreed to create a separately managed account (SMA) with an initial investment of $50 million, under the same fee terms as our current investment in their funds. Further, as distributions are made to the PTFs out of the existing funds, those amounts will flow into the SMA, thus allowing for continuously investment with little cash drag and reinvestment risk. Eventually, all of the PTFs' direct lending investment with Angelo Gordon will reside in the SMA and will receive the appropriate fee breaks.

Angelo Gordon is one of the best performing direct lending investment managers and a top manager within RVK's database, and highly regarded by RVK's fixed income research team. Through June 30th this year AG Direct Lending Fund III has averaged 9.89% net return per year since inception 9/1/2018. The Fund IV should deliver similar results, although it is currently too new to have meaningful results. The PTFs made a $150 million commitment to Fund III and a $100 million commitment to Fund IV.

Recommendation: **The Board approve an initial $50 Million investment with Angelo Gordon's direct lending platform in a separately managed account, and allow for all distributions from previous investments with Angelo Gordon's direct lending funds to be reinvested into the separately managed account; 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: AG Direct Lending SMA Presentation

Memorandum

To	North Dakota Board of University and School Lands
From	RVK Private Credit Manager Research Team
Subject	AG Direct Lending SMA Due Diligence Memo
Date	December 2021

Executive Summary

The following memorandum is a due diligence update and recommendation for AG Direct Lending, a lower-middle market, senior direct lending strategy offered by Angelo Gordon. RVK conducted its initial due diligence on AG Direct Lending Fund III in 2018, and the North Dakota Board of University and School Lands committed $150 million to the Fund. In 2020, RVK conducted a due diligence update on Fund IV, and North Dakota re-upped into the fund series with a $100 million commitment.

Angelo Gordon is currently creating a separately managed account (SMA) for North Dakota. Unlike a traditional closed-end fund, this SMA will be structured as an evergreen or perpetual vehicle, in which all principal and income generated by the loans are automatically reinvested. As such, North Dakota will not be forced to accept a mandatory return of capital at the end of the Fund's life or to recommit proceeds in subsequent funds in the series and wait for the money to be called again. The evergreen SMA will invest capital more efficiently than would a closed-end fund series following a similar mandate, and has the potential to act as a powerful tool to more quickly and efficiently increase North Dakota's allocation to direct lending without the need to compromise on the quality of the account's underlying investments.

RVK supports North Dakota's shift from accessing Angelo Gordon's high caliber direct lending deal flow through the closed-end fund series to this more capital efficient evergreen SMA. In our view, an appropriately structured evergreen vehicle, such as this proposed account, has the potential to act as a more effective vehicle for investment in the direct lending space for many client mandates. In addition, the SMA will be designed to automatically reinvest all principal and income distributions from North Dakota's existing investments in Fund III and Fund IV, ensuring a smooth transition from closed-end fund series to evergreen account as underlying loans mature and capital becomes available for reinvestment in future opportunities. Broadly, North Dakota's total exposure to this strategy series is expected to grow to more than $300 million once the SMA is fully ramped in approximately four years.

RVK continues to believe that Angelo Gordon's direct lending approach represents one of the best options in senior secured direct lending currently available to institutional investors focused on risk-adjusted relative value. Moreover, it remains an RVK "best idea" in the context of a conservative private credit portfolio. Accordingly, RVK recommends that the North Dakota Board of University and School Lands commit $50 million to the AG Direct Lending SMA in order to maintain its exposure to this strategy, and reinvest the applicable investment proceeds from Fund III and Fund IV into this account as capital becomes available through future distributions.

Due Diligence Update

AG's direct lending team (also known as Twin Brook) has closely adhered to its original stated investment process and focus. This relatively low risk and defensive direct lending strategy has remained stable, primarily seeking to make senior secured private loans to private equity sponsor-backed businesses in the middle and lower-middle market. For instance, 98% of AG's currently outstanding loans are first-lien, and underlying loan leverage levels are conservative, typically below 4.3x debt to EBITDA. In addition, the yield of AG's loans, with a cash yield of more than 7% with additional yield upside through borrower fees, continues to represent a significant premium over yields available across most public fixed income markets. AG's deployment in 2021 has been robust, as the team is on track to invest approximately $5 billion this year – a new Firm record. Despite this increased lending activity, AG remains highly selective with its chosen investments with a close rate below 3% on pipeline deals.

The investment team is captained by the same experienced group of senior investors originally responsible for the investment of Fund III and Fund IV. There have been no significant personnel departures or changes to the platform over the past several years. However, the team size has grown by about 15% since our due diligence update in 2020, a growth rate closely corresponding with the expanding base of borrowers in the portfolio.

The strategy continues to target a levered net IRR of 10-13%, which is expected to be derived primarily from the yield of its underlying loans. This level of targeted absolute return is in line with most direct lending strategies which utilize fund-level leverage. However, as detailed in the table on the following page, the strategy's performance has consistently fallen above that of most peer direct lending strategies in terms of net IRR and net multiple. Specifically, all levered funds in the fund series currently rank in the first or second quartile of their direct lending peer group. Furthermore, the fund series has outperformed a Public Markets Equivalent (PME) index (represented by a hybrid 50% bank loans and 50% high yield bonds index) by nearly 5% since the strategy's inception in 2015.

AG Direct Lending Fund Series Summary – Levered Performance Only (As of 9/30/2021)

Fund	Vintage	Committed Capital ($M)	Net IRR	Net Multiple	Net IRR Quartile	Net Multiple Quartile	PME Index IRR
Fund I	2015	$594	10.3%	1.37x	2nd	2nd	6.2%
Fund II	2016	$1,580	10.0%	1.34x	2nd	2nd	5.3%
Fund III	2018	$2,751	10.6%	1.22x	2nd	1st	5.8%
Fund IV	2020	$2,671	13.8%	1.09x	N/M	2nd	7.9%
Total		**$7,596**	**10.5%**	**1.24x**			**5.8%**

RVK has calculated performance data with cash flows provided by AG. The AG fund series performance is represented by the onshore levered vehicles only. Committed capital ($M) represents all vehicles in each fund series. The AG fund series has been compared against the Private Debt – Direct Lending peer group provided by Preqin and represents the most up-to-date data as of 12/2021. The peer group contains both levered and unlevered direct lending strategies. PME Index IRR represents the IRR calculated using the 50% Bloomberg Barclays US Corporate High Yield Index/50% Credit Suisse Leveraged Loan Index assuming an index investment with the exact cash flow timing.

Strengths/Merits

Defensive Strategy through Transaction Leadership: In most of its deals, Angelo Gordon seeks a leadership role within the lender group, most frequently as the administrative agent or co-lead arranger. Angelo Gordon can directly negotiate loan terms with the borrower through this position of authority in the lender group. As such, it can employ its defensive strategy, rather than relying on other lenders in the lender group, which may lack the same risk control and be more willing to accept borrower-friendly loan terms. Historically, this emphasis on leadership has resulted in loan documents that are more lender-friendly, often containing multiple covenants with tight cushions. We believe this defensive approach is the primary factor for the strategy's relatively low total loss rate for the track record of only 0.16%. Additionally, lead lenders can typically charge borrowers higher origination fees, thereby strengthening the returns of Angelo Gordon's loans and increasing the strategy's expected absolute return compared to peers. Finally, since Angelo Gordon is leading discussions with borrowers and sponsors, it can establish stronger personal relationships with counterparties, further augmenting the strength of its sourcing network.

Dynamic Monitoring Capability: Angelo Gordon takes a more active approach to monitoring its underlying borrowers than is typical for a senior direct lending strategy. This method has historically contributed to fewer total payment defaults in its track record. Specifically, only 2.6% of the aggregate borrowers in the track record have experienced a payment default. We believe Angelo Gordon's monitoring capabilities are powerful compared to those of many peers in the industry due to a large and well-resourced investment team, which allows more time to be devoted to each borrower. In addition, Angelo Gordon provides its borrowers with a revolving loan facility for their working capital needs. This practice gives the team access to additional real-time data around borrower liquidity requirements. It also serves as an early warning detection system for adverse developments in a borrower's financial health. Given the current uncertainty associated with the economy's eventual recovery in the face of the current pandemic, we believe that focusing on a lender that has the capabilities to dynamically monitor their borrowers on a daily and weekly basis with great attention to detail to be especially crucial.

Strong Sourcing Network: The investment team has built a substantial sourcing network over the past two decades, which we believe is a critical competitive advantage. The senior investors who captain this Fund have been dedicated to the same direct lending strategy since 2001, exhibiting a level of experience and tenure rarely seen in this industry. As a result, the team has assembled a sizable stable of relationships with private equity sponsors, banking counterparties, and borrowers it can rely upon for continued capital deployment. Additionally, by sourcing a large number of potential investment opportunities, the strategy can remain highly selective and focused on only the highest-quality loans in its pipeline. While many peer strategies have suffered from "style drift" into loans with higher leverage, looser credit documentation, and decreased spreads over the past few years, Angelo Gordon has remained relatively unwavering in its defensive strategy and strict risk controls.

Diverse Portfolio: The SMA portfolio is expected to include between 125 and 150 loans once it is fully built out. As such, the portfolio will be highly diverse across both position and sector, reducing concentration risk on multiple fronts. While "over" diversification within an equity portfolio can reduce the impact of top performers, a highly diverse portfolio of private loans, which have limited upside, can often help mitigate losses without compromising expected returns. Additionally, by originating investment opportunities across many borrowers and private equity sponsors, the strategy is better prepared to source and deploy capital even if several of the team's top sourcing relationships experience pandemic-driven slumps. Finally, within industry diversification, the team expects to invest across several relatively defensive sub-industries of healthcare, business services, and industrials while avoiding cyclical industries such as retail, restaurants, and commodities. As such, we believe this portfolio is expected to exhibit a relatively defensive posture compared to peer strategies that lack the same degree of portfolio diversification and invest more heavily in turbulent industries.

Issues to Consider

Heavy Competition within Direct Lending: The direct lending market has been characterized by elevated fundraising levels over the past decade, including a fresh record of $104 billion thus far in 2021 at the time of this writing. This level of crowding has resulted in several disadvantages to direct lending investors. For instance, spreads have tightened across most traditional direct lending strategies. In addition, direct lending investors often benefit from a lower level of downside protection compared to many prior years due to the growing prevalence of looser and more borrower-friendly loan agreements. Finally, new direct lending funds are crowding the market with relatively inexperienced investment teams, many of which have bid down yields and eroded the complexity premium historically present in this space.

Mitigation Factors: Angelo Gordon has proven able to avoid a meaningful part of the overcrowding within direct lending markets through its focus on the lower-middle market, which continues to be characterized by reduced competition and less market efficiency even in the current competitive environment. Additionally, Angelo Gordon's senior investors have been investing in this market for decades, establishing an extensive origination network that has led to what RVK believes to be a meaningful competitive advantage in sourcing, particularly given the fragmented nature of their chosen lower middle market space. Frequently, Angelo Gordon is given the "last look" at a deal due to a long-standing relationship with the private equity sponsor, which can reduce the adverse effects of competition for the loan. Additionally, approximately a third of Angelo Gordon's annual deal flow represents follow-on funding to existing portfolio companies who exclusively use Angelo Gordon as their lender of choice. As such, we believe Angelo Gordon's target market, experience, and established sourcing network enable the strategy to resist many of the adverse effects of overcrowding that have impacted the broader US direct lending market.

Overview of Key Terms

As of this writing, Angelo Gordon has not yet finalized the Investment Management Agreement for the SMA with North Dakota. As a result, RVK has not yet conducted a comprehensive review of the SMA terms and documentation. As such, RVK strongly recommends that any capital commitment be made contingent upon a thorough review of SMA terms and documentation by qualified legal counsel. However, the key terms summarized below fall within the bounds of what RVK considers to be the market standard for a private credit SMA.

Fund Name	AG Direct Lending SMA
Initial North Dakota Commitment	$50 million
SMA Growth Schedule	Following an initial commitment of $50 million, all capital and income distributions from Fund III and Fund IV will be reinvested into the SMA as the Funds enter their harvest periods and the underlying loans mature
Targeted Return	10-13% net IRR, 10% current yield (reinvested)
SMA Term	Evergreen
Distributions	None, full reinvestment of income and principal
Management Fee	Tiered management fee schedule based on SMA commitment level: • <$250 million: 0.75% on invested capital • $250 million - $500 million: 0.60% on invested capital • >$500 million: 0.50% on invested capital
Incentive Fee	15%, crystallized every two years
Preferred Return	7%
Fund-Level Leverage	Target 1.25x with a maximum allowance of 2x
Key Person Event	Any two of Trevor Clark, Andrew Guyette, or Josh Baumgarten

ANGELO GORDON

AG Direct Lending SMA

December 2021
North Dakota Board of University and School Lands

Disclosure

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy the limited partnership interests or securities of any Angelo, Gordon & Co., L.P. (“AG”) funds described herein. No such offer or solicitation will be made prior to the delivery of confidential offering memoranda and other materials relating to the matters described herein. Before making an investment decision with respect to such interests or securities, potential investors are advised to read carefully the confidential offering memorandum, the limited partnership agreement, if any, and the related subscription document (collectively, the “Offering Documents”), and to consult with their tax, legal and financial advisors. This presentation contains a preliminary summary of the purpose of the funds and certain business terms; this summary does not purport to be complete and is qualified and superseded in its entirety by reference to a more detailed discussion contained in the Offering Documents. The General Partner or the Investment Manager, as the case may be, has the ability in its sole discretion to change the strategy described herein and does not expect to update or revise the presentation except by means of the Offering Documents. Data presented is as of the date hereof unless otherwise indicated.

References to specific investments or strategies are for illustrative purposes and are not intended to be and should not be relied upon as a recommendation to purchase or sell particular investments or engage in particular strategies. The references to specific securities or investment vehicles are not a complete list of all investment vehicles or positions in the portfolios and the positions or strategies identified herein may or may not be profitable. No representation is made that any portfolio will contain any or all of the investments identified herein, that any of such investments will actually be available for investment at such levels or in such quantities. The presentation was prepared using certain assumptions which are based on current events and market conditions and as such are subject to change without notice and we assume no obligation to update the information. Changes to the portfolio or the assumptions and/or consideration of additional or different factors may have a material impact on the results presented. Not all assumptions have been considered in compiling this data. Actual events are difficult to predict and may differ from those assumed for purposes of this presentation. There is no representation or guarantee regarding the reliability, accuracy or completeness of this material, and neither AG, its affiliates nor their respective members, officers or employees will be liable for any damages including loss of profits which result from reliance on this material.

There are certain risks associated with an investment in private funds. For example, such funds can experience volatile results and an investor or limited partner could lose some or all of his investment. A fund investment is very speculative and involves a high degree of risk, not suitable for all investors. Further such an investment is illiquid, due to restrictions on transfer, the lack of registration and the absence of a current or expected secondary market for fund interests or shares. Investment strategies may include non performing/distressed illiquid assets, employ leverage and/or employ a shorting strategy. High management fees and an incentive fee or allocation may cause the manager to take greater risks than it ordinarily would without such fees. This is not a complete description of the risks associated with a hedge fund investment.

This presentation is being provided to a limited number of eligible investors on a confidential basis. Accordingly, this document may not be reproduced in whole or in part without the prior written consent of AG. Past performance is no guarantee of future results. Individual investor performance may vary by investor. To the extent that target returns are included, there is no assurance that such targets can be achieved or that actual results will not differ, perhaps materially, from such target returns. Other AG funds may experience results which differ, perhaps materially, from those presented, due to different investment objectives, guidelines and market conditions.

Angelo Gordon Presenters

Trevor Clark 	Trevor Clark joined Angelo Gordon in 2014 to establish the firm's middle market direct lending loan business. He is a Managing Director and a member of the firm's executive committee. Prior to joining Angelo Gordon, Trevor was a co-founder and C.E.O. of Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investments where he oversaw all operational and strategic activities of the middle market lending operation. At Madison Capital, Trevor led the Executive Committee that was responsible for all credit granting decisions and managed the relationship with New York Life Investments and other third-party investors. Prior to forming Madison Capital, Trevor held various positions in loan underwriting and origination at Antares Capital, GE Capital, and Bank of America. He holds a B.A. degree from the University of Iowa, Iowa City and an M.B.A. degree from Indiana University, Bloomington.
Drew Guyette 	Drew Guyette joined Angelo Gordon in 2015. He is a Managing Director in the Firm's middle market direct lending loan business. Prior to joining Angelo Gordon, Drew had been with Madison Capital, a wholly owned subsidiary of New York Life Investments, since 2007. Drew's primary responsibilities at Madison Capital included structuring, underwriting, negotiating, and managing client relationships, where he focused on generalist and technology transactions with middle market private equity sponsors. Additionally, Drew managed one of Madison Capital's Underwriting Teams of professionals. Prior to joining Madison Capital, Drew held a variety of positions at MB Financial Bank, N.A., including underwriting, portfolio management, and new business development. Drew received a B.S. in Finance from the University of Illinois, Urbana-Champaign.
William Cullinan 	William Cullinan joined Angelo Gordon in 2016 and is a Managing Director. He focuses on the firm's US consultant relations effort. Prior to joining the firm, William was a Managing Director at Easterly Capital, LLC. While at Easterly Capital, he was responsible for capital formation and business development with institutional investors, foundations, endowments, family offices, and consultants. Previously, William worked at Putnam's Global Institutional Management Group, Garelick Capital Partners, LP, Merestone Partners, LP, and Fidelity Investments. He began his career at UBS Global Prime Services. William holds a B.A. degree from the University of Massachusetts, Amherst.

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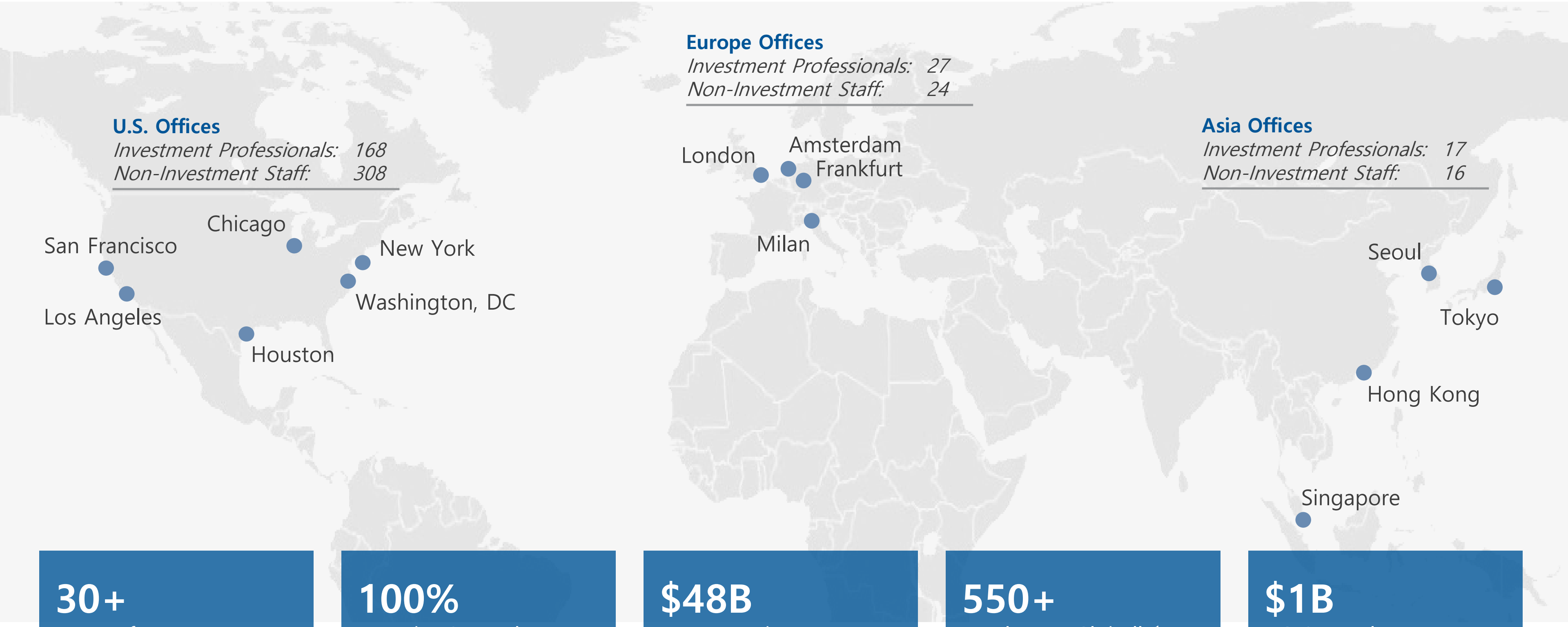
Section I

Firm Overview

ANGELO GORDON

Angelo Gordon At-A-Glance

We are a leading privately-held alternative investment firm specializing in Credit and Real Estate strategies.



30+
Years of Investment Experience

100%
Founder & Employee-Owned

$48B
Assets Under Management[1]

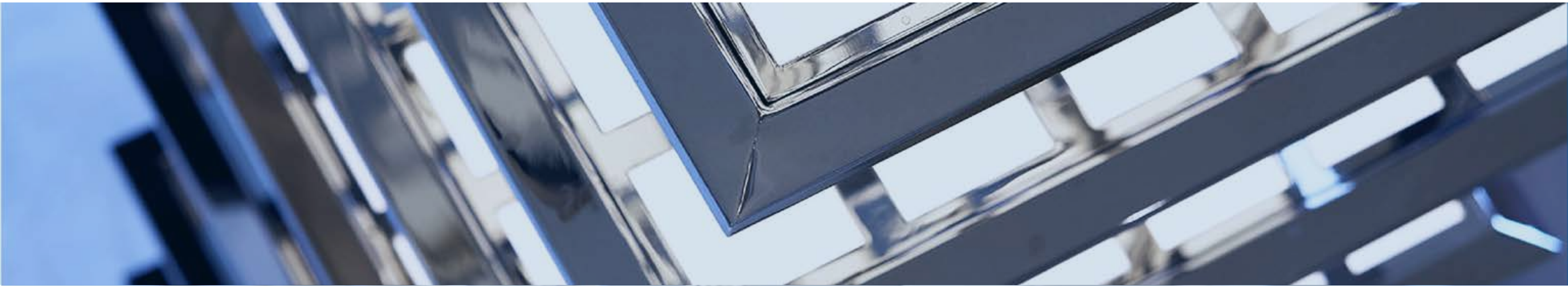
550+
Employees Globally[1]

$1B
AG & Employee Capital Invested[2]

(1) As of September 30, 2021.
(2) Approximate as of June 30, 2021. Includes GP, affiliate and employee related investments and acc[illegible]rmance allocations. Includes committed but uncalled capital.

Our Investment Philosophy

Backed by fundamental research and a commitment to capital preservation, we seek consistent absolute returns for our clients.



Dynamic

Match money with opportunity on a timely basis

Invest in inefficient markets to generate consistent, absolute returns

Rigorous

Conduct extensive fundamental research to drive investment decisions

Robust infrastructure to oversee operations, risk management, and compliance

Vigilant

Protect principal by investing with a margin of safety

Protect capital through research, diversification, and the prudent use of leverage

ANGELO GORDON

Diversified Platform Across Credit and Real Estate

Angelo Gordon has over three decades of synergistic growth.

$48B* Total AUM

$34.5B[1] Credit

- **$17.2B** Corporate Credit
  - Distressed & Corporate Special Situations
  - Performing Credit
  - Arbitrage[2]
- **$10.6B** Lending
  - Middle Market Direct Lending
  - Energy
- **$6.4B** Structured Credit
  - Residential & Consumer Debt
  - Commercial Real Estate Debt

$13.4B Real Estate

- **$6.0B** U.S. Real Estate
- **$3.0B** Europe Real Estate
- **$2.4B** Asia Real Estate
- **$2.0B** Net Lease Real Estate

*Estimated as of September 30, 2021. Totals may not equal the total AUM due to rounding.
(1) Includes approximately $0.4bn in unallocated multi-strategy cash.
(2) Arbitrage includes Convertible & Merger Arbitrage strategies.
Note: The AUM table excludes Private Equity strategy, which in aggregate represents $0.3bn of the Fi[illegible] AUM.

30+ Years of Investing Across Strategies for Our Clients

We have a long history of identifying attractive opportunities that deliver the best risk-adjusted returns for our diverse investor base.

1988 — Distressed & Corporate Special Situations; Arbitrage

1993 — U.S. Real Estate

1998 — Performing Credit

2005 — Asia Real Estate; Net Lease Real Estate

2006 — Commercial Real Estate Debt and Loan Origination

2008 — Residential and Consumer Debt & Whole Loans

2009 — Europe Real Estate

2013 — Energy

2014 — Middle Market Direct Lending

Our Clients

Corporate Pension	Endowments & Foundations	Fund of Funds	High Net Worth/ Family Office	Insurance	Public Pension	Sovereign Wealth Funds	Taft Hartley

Section II

Middle Market Direct Lending

Twin Brook Capital Partners

2014
Founded

Chicago
Headquarters

$12.3 Billion
Asset Commitments

79
Team Members

1,100+ Closed Transactions
With Over 200 different middle market private equity firms

- Twin Brook Capital Partners is a SEC registered, wholly-owned subsidiary of Angelo Gordon focused on senior secured lending to lower middle market borrowers with less than $25 million of EBITDA, strong historical performance and private equity ownership.
- Our middle market direct lending strategy focuses on sourcing, underwriting and actively managing a diversified portfolio of middle market, floating rate, senior secured loans (including revolvers, and first liens).
- Senior members of the Twin Brook team have worked together for over 19 years.
- Since the inception of the strategy at the firm through October 31, 2021 the team has seen over 8,729 deals from over 768 unique PE sponsors. We have closed over 250 platform financing deals with more than 100 different PE Sponsors, not inclusive of add-ons.
- Our strategy is focused on delivering attractive returns while minimizing volatility and protecting the downside and thus is conservatively positioned.

$19.4 Billion
Commitments Issued to Date

769
Closed Transactions
Since 4th Quarter 2014 Inception

95%
Deals as Lead/Co-Lead Arranger

Recent Awards

2021 Private Debt – Direct Lending: AG Direct Lending Fund III

2020 Americas Lender of the Year, Small Mid-Markets

2020 Lender, Small – Firm of the Year, U.S.A.

2019 Fundraising of the Year, Americas

2019 Lower Mid-Market Lender of the Year, Americas

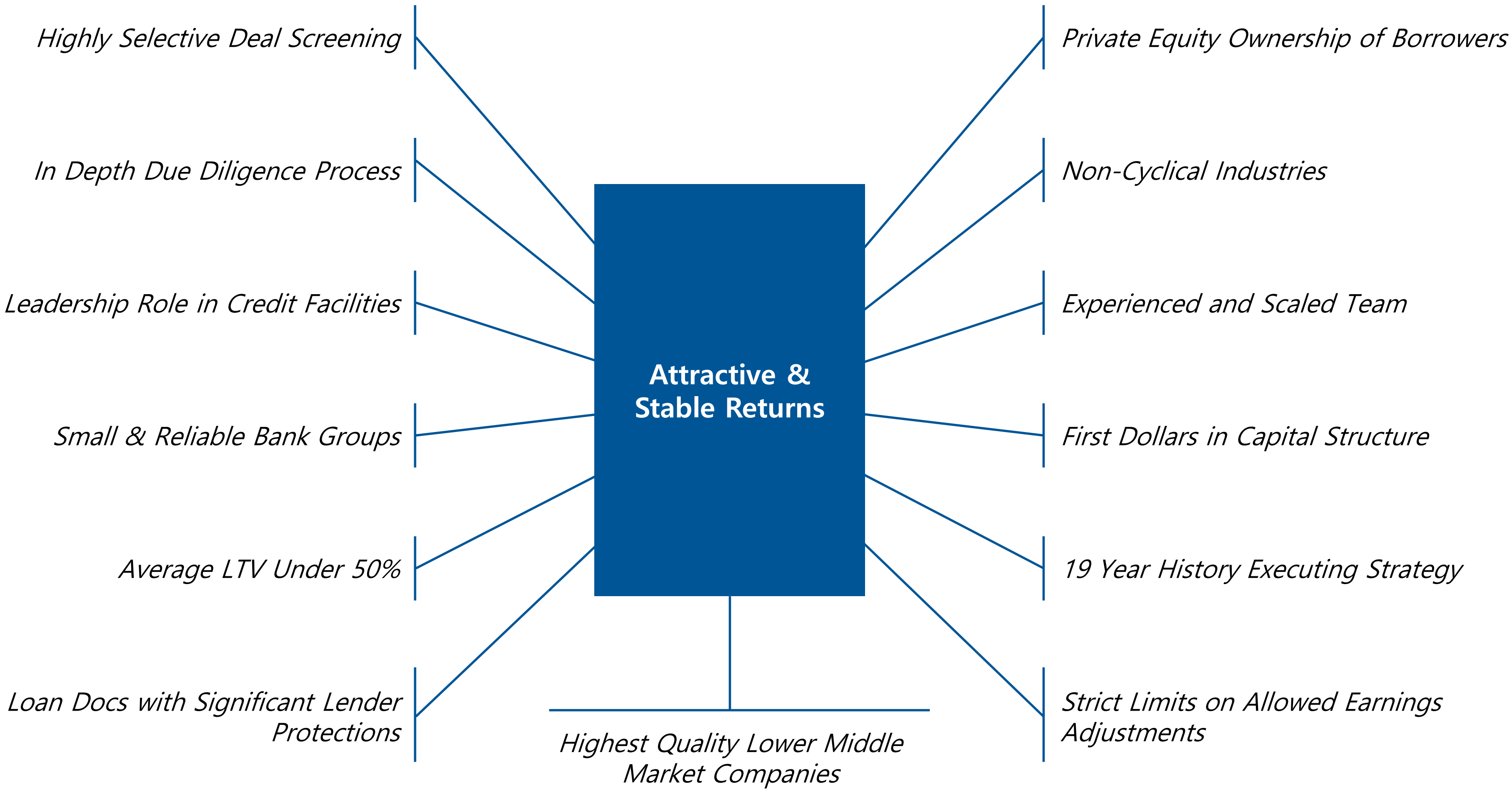
2019 Lender of the Year

2018 Senior Lender of the Year, Americas

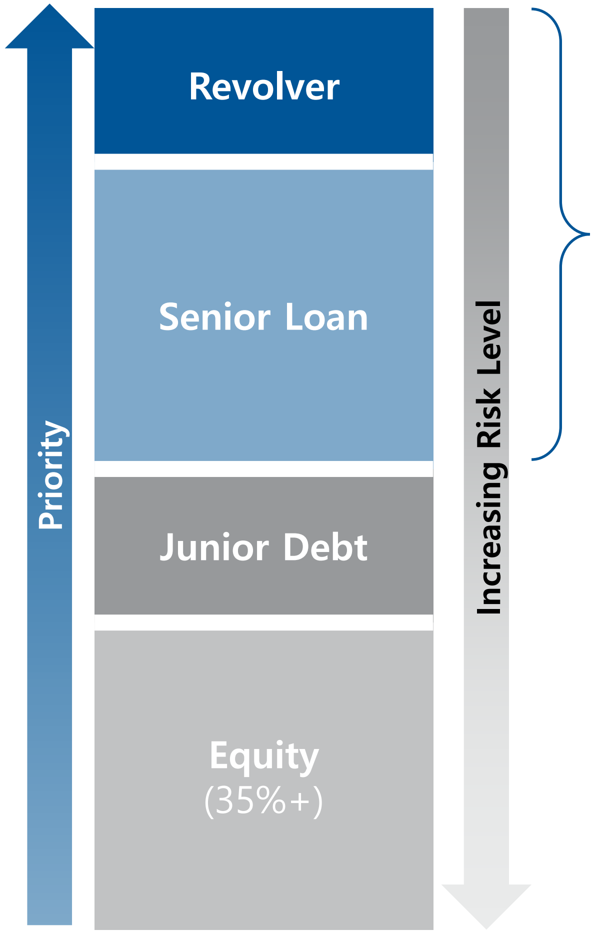
The awards referenced above are solely for informational purposes, are based in part on subjective criteria and a limited universe of nominees, may not be representative of any one client's experience with Angelo Gordon, and are not indicative of, nor should they be construed or relied upon as, any indication of Angelo Gordon's future performance.

ANGELO GORDON

Foundation of Return Stability



Capital Structure



Our Focus

- Revolver capabilities are a competitive advantage
  - Help lead to administrative agent roles as they allow borrowers and sponsors to interact with one lender
  - Provide valuable insight into the daily borrowing activities and liquidity needs of our portfolio accounts and often permit us to identify potential challenges well in advance of covenant breaches or monthly financial reporting
  - We do not believe many other non-bank lenders are in a position to provide revolvers
- Concentration in 1st liens with LTV target of 40-55%[1]
  - 98% of our portfolio is 1st lien[2]
- Secured by all assets of the borrower (working capital, PP&E, etc.)
- Stock pledge of the borrower

(1) Based on current market conditions and subject to change without notice.
(2) Not necessarily indicative of future portfolio composition.

Sourcing Focused on Middle Market Private Equity Sponsors

Our sourcing capabilities create a barrier to entry.

Benefits of Sponsored Lending

Relationship
Lenders maintain a direct relationship with sponsors and management

Capital Support
Most sponsors operate with a committed pool of capital to weather liquidity challenges or invest in turnaround initiatives

Diligence
Sponsors share independent third party diligence for market, accounting, environmental, insurance/benefits, IT, etc.

Management
Lenders underwrite to sponsors who control the board and can upgrade / replace management

Why sponsors will work with Angelo Gordon

- Well-known among private equity sponsors as a strong, reliable counterparty with a long-term commitment to the business
  - The team has closed transactions with 228 different PE groups over the last 19 years, with 76 of those coming in the last five years
- Experience investing through multiple credit and economic cycles, including extensive work-out experience
- Deep understanding of middle market private equity business
- Flat organizational structure permits for quick response times

Why source through sponsors

- Effective origination which allows for high selectivity as we believe we are seeing the best deals in the market
- Understand the need to include covenants in deal documentation
- Sponsors bring the potential to contribute additional capital if needed to support the borrower
- Ability to make tough decisions in challenging times
- PE Sponsors raised $228 billion in capital in 2018, the highest in a decade; the resulting dry powder is likely to create ongoing deal flow[1]

Past performance is no guarantee of future results. There can be no assurance that AG will be able to source suitable investment opportunities for the Fund, that the investment objective will be successful or that losses can be avoided.
(1) Refinitiv, Middle Market Weekly January 2019.

Recent Changes in Private Debt Markets

Borrower experience during the pandemic has altered lender selection criteria

- Lender experience and reliability are key differentiating factors
- Sub-scale lenders are viewed as introducing transaction risk

Private Equity Groups are reducing their lender roster

- Lower mid-market PE groups are saying they want no more than 2 primary lenders
- PE groups prefer to close transaction with a single lender when possible

Lead Lenders are more selective of bank group participants

- Broad syndications are increasingly rare in middle market transactions
- Hold levels for market leading groups have increased (lowering syndication requirements)
- Bank group participants who were unconstructive during pandemic related credit facility amendment discussions are being excluded from new transaction activity

ANGELO GORDON

The Growth of AG Direct Lending

2014 – Present

$12.3 Billion
of Asset Commitments

284
Closed Platforms

95
Realized Transactions

102
Unique Sponsors

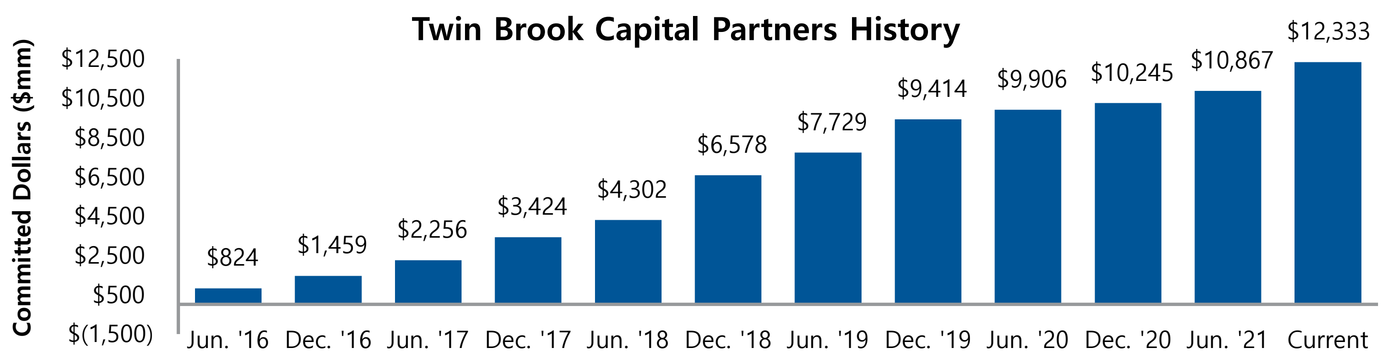
95%
Admin and Co-Lead Arranger

4,125
Unique Deals Reviewed Since Inception

The above metrics are not necessarily indicative of future activity.

Fund Status

Fund I Raise:[1]	$700 million Equity Raised	-	In Harvest Period
Fund II Raise:[1]	$1.7 billion Equity Raised	-	In Harvest Period
Fund III Raise:	$2.8 billion Equity Raised	-	Fully Invested, Reinvesting Principal
Fund IV Raise:[1]	$3.1 billion Equity Raised	-	Investing
Evergreen SMAs:	$775 million Equity Raised	-	Fully Invested, Reinvesting Principal
Unlevered BDC:	$216 million Equity Raised	-	Investing

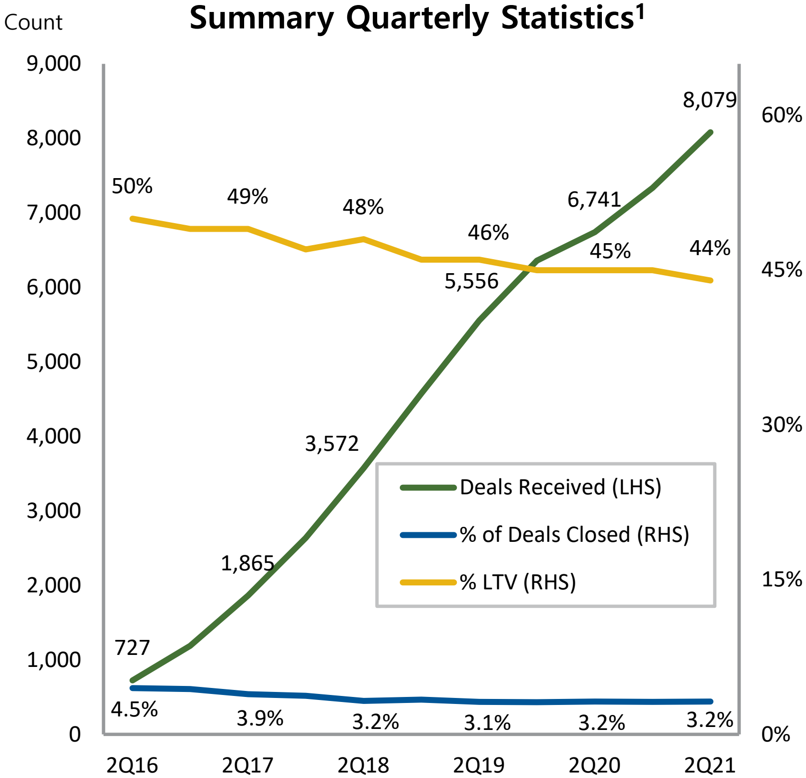


	Jun. '16	Dec. '16	Jun. '17	Dec. '17	Jun. '18	Dec. '18	Jun. '19	Dec. '19	Jun. '20	Dec. '20	Jun. '21	Current
Unique Borrowers	32	51	66	88	97	128	139	156	166	169	175	189
Originators	5	5	6	7	9	10	9	8	8	8	9	9
Team Size	23	29	38	46	48	55	60	66	67	71	69	79

(1) Includes separately managed accounts. Not necessarily indicative of future fundraising activity.
Note: "Unique Borrowers" includes current active deals through the stated measurement date.
Note: "Closed Transactions" and "Unique Sponsors" includes all active and realized closed deals across the Twin Brook platform as of the stated measurement date

A Market Leader: Pitchbook League Table Results

AG Middle Market Direct Lending Summary Quarterly Statistics[1]



Annual Pitchbook League Tables[2]

2019		2019 Select Roles[3]		2020		2020 Select Roles[3]	
Antares Capital	227	Antares Capital	193	Antares Capital	175	Antares Capital	148
Ares Capital	134	**Twin Brook**	**92**	Barings	113	**Twin Brook**	**57**
Golub Capital	129	Ares	72	Ares	112	MidCap Financial	53
Barings	114	Crescent Capital	70	Churchill	107	BMO Financial Group	50
Churchill	109	Madison Capital	65	BMO Financial Group	86	Ares	44
Crescent Capital	103	Citizens Bank	64	MidCap Financial	78	Churchill	44
Goldman Sachs	102	MidCap Financial	63	**Twin Brook**	**73**	Varagon Capital	43
PNC	100	Churchill	49	Crescent Capital	71	Crescent Capital	42
Twin Brook	**99**	Varagon Capital	46	PNC	61	Citizen Bank	41
MidCap Financial	91	NXT Capital	45	Golub Capital	58	Madison Capital	40

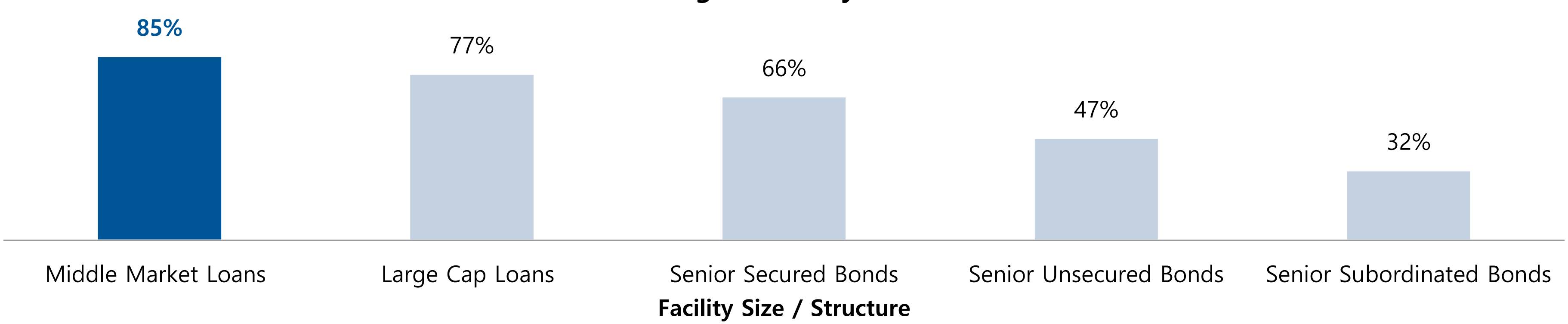
- Our deal flow and success in the league tables has not come at the expense of selectivity
- Credit selection and underwriting remain paramount

(1) All above data is inception (4Q14) to date (quarter end) of the bottom axis. Includes all deals across the Twin Brook platform including predecessor funds. May not be reflective of offshore vehicles. May not be representative of future portfolio LTV % or deal flow activity.
(2) All data sourced from PitchBook Data, Inc. ("PB"). The 2019 and 2020 data sourced from Pitchbook 2019 and 2020 US PE Lending League Tables. Rankings based on data submitted to Pitchbook on a voluntary basis by 44 firms (and excludes any firms that did not elect to participate in, and/or who provided insufficient data for, the Pitchbook rankings). This ranking may not be representative of any one client's experience with Twin Brook and is not indicative of Twin Brook's future performance. The above tables reflect lenders by deal count. The complete league tables are available upon request. The league tables are compiled using deal counts for all middle-market PitchBook debt round types. Pitchbook defines middle market as US-based companies acquired through buyout transactions between $25 million and $1 billion. PitchBook's league tables only cover US-based middle-market companies that have received some type of private equity investment and exclude minority deals. Full Pitchbook league tables can be made available upon request.
(3) Select roles are comprised of bookrunners, lead arrangers, mandated lead arrangers and administrative agents only.

Differentiation Within the Middle Market*

Market Segmentation		Structural Considerations				Economics		Certainty of Outcome[1]		
Type of Market	EBITDA Range ($MM)	Arranger Hold of Senior Debt[2]	Leverage	Financial Covenants	Covenant Cushions	Pricing (L+bps)[3]	OID	No. of Lenders	Reverse Pricing Flex[4]	Allocation Certainty
BSL	>$75	4 – 6.0%	High (>6x)	None	N/A	325 – 400	99.5-Par	50 – 75	Yes	No
Upper MM[5]	$40 – 50+	5 – 100%	High (>6x)	None	N/A	350 – 450	99.0 – 99.5	2 – 40	Sometimes	No
Core MM	$25 – $40	30 – 100%	Moderate to High	50/50	30 – 45%	450 – 550	98.5 – 99.5	1 – 8	No	Sometimes
Lower MM	<$25	60 – 100%	Moderate	Yes	20 – 30%	500 – 650	98.0 – 98.5	1 – 3	No	Yes

Average Recovery Rate[6]



* Information reflects the Twin Brook team's analysis of current market conditions and data. Actual pricing, structure, etc. may differ materially from the information presented herein.
(1) Refers to likelihood that deal terms, including but not limited to pricing spread and OID, and allocation may change during the time period from the announcement of a transaction to its pricing.
(2) Relates to an Administrative Agent's final hold of a senior facility only. Arrangers rarely hold junior capital.
(3) Pricing varies depending on a number of variables such as size of issuer, rating, repeat issuer, leverage and industry sector. The pricing above is representative of current pricing in the market for senior transactions that also include a junior capital component.
(4) Reverse flex indicated that the spread offered to lenders decreases versus initial price guidance due to strong demand from investors.
(5) There are numerous lenders in the middle market who define the upper middle market as up to $75MM in EBITDA.
(6) Source: S&P Ratings Direct, *Will Middle-Market Recoveries Falter When the Cycle Turns*. Ultimate recovery rate from 1987 – June 2018, December 11, 2018. Ultimate recovery is the non-discounted dollar-weighted recovery weight following the emergence from 3 types of default: bankruptcy filings, distressed exchanges, and nonbankruptcy restructurings. The above represents historical data and is not necessarily indicative of the performance of any fund or account.

Middle Market Direct Lending Team

Trevor Clark
Portfolio Manager, 20+ Years

Senior Originators

Heads of Originations:

Richard Christensen 20+ years[1]	**Grant Haggard** 20+ years[1]	**Faraaz Kamran** 20+ years[1]
Pete Notter 20+ years[1]	**Tim Healy** 20+ years	**Chris Martin** 20+ years[1]
Tim Wentink 20+ years[1]	**Betsy Booth** 13+ years[1]	**Peter Coffin** 7+ years

Capital Markets

Garrett Ryan
20+ years

Finance, Operations & Fund Management

Terry Walters Chief Financial Officer, 17+ years

Karen Saunoris Director of Ops 20+ years[1]	**Tim Tenaglia** Controller 16+ years	**Nick Flemming** Treasury Director 8+ years
Danette Shepherd 18+ years[1]	**Kate Hansell** 8+ years	**Kate Morrissey** 7+ years
Matt Skly 6+ years	**Dan O'Donnell** 5+ years	**Mary Beth King** 3+ years
Brandon Schmidt 3+ years	**Gabriella Savino** 3+ years	**Michael Denos** 3+ years
James Lee 3+ years	**Austin Rodger** 2+ years	**Ryan Lannert** 2+ years
Tess Hannum 2+ years	**Linnea Rimal** 2+ years	

Chief Credit Officer

Drew Guyette, 19+ years[1,2]

Senior Underwriters

Head of Underwriting: Kim Trick, 14+ years[2]

Tim Schifer 20+ years[1,2]	**Sarah Roche** 14+ years	**Jennifer Dzwonchyk** 13+ years	**Joe Tinaglia** 15+ years[1]
Nick Fessler 11+ years	**Evan Larsen** 11+ years	**Chris Hendrix** 9+ years	**Anthony Maggiore** 9+ years[1,2]
Brett Bork 9+ years	**Caroline King** 9+ years	**Aaron Pontsler** 7+ years	

Underwriters

Chris Kratschmer 9+ years	**Nicholas Wagner** 8+ years	**Alex Small** 8+ years	**Nick Hill** 7+ years	**Ben Morton** 7+ years	**Jordan Graham** 7+ years
Elizabeth Moeller 7+ years	**Alexandra Good** 6+ years	**Elizabeth Faber** 6+ years	**Troy Stratton** 6+ years	**Zack Wolfe** 6+ years	**David Golembiewski** 6+ years
Jim Lynch 5+ years	**Moises Correa** 5+ years	**Chris Sanderson** 5+ years	**Matt Weidner** 5+ years	**Casey Gross** 5+ years	**Hong Trinh** 5+ years
Brad Sullivan 4+ years	**Tyler Mink** 4+ years	**Chris Reynolds** 4+ years	**Allie Ward** 4+ years	**Anthony Bronzo** 4+ years	**Kyle Lavelle** 3+ years
Hassan Ali 3+ years	**Caroline Breckenfelder** 2+ years	**Suhail Malik** 2+ years	**Aaron Maslow** 2+ years	**Emily Poth** 2+ years	**Mary Sheehan** 2+ years
Annie Viola 2+ years	**Andy Aguilar** 2+ years				

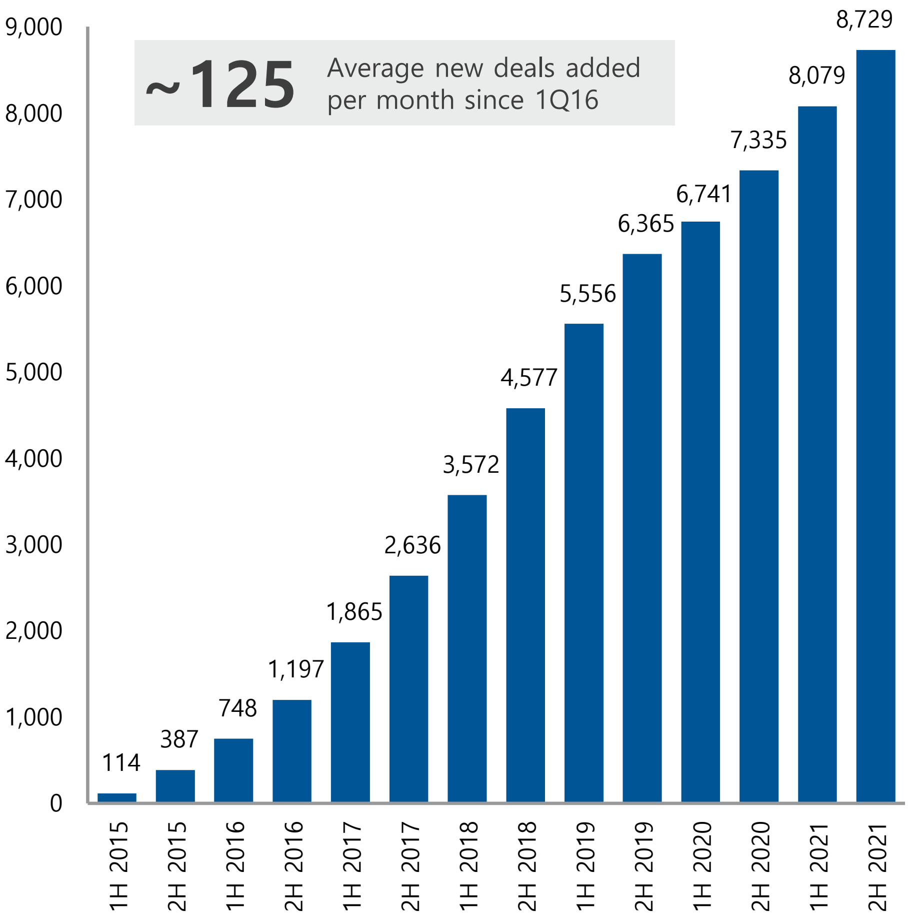
Years of experience as of October 2021.
(1) Denotes prior experience working with the Portfolio Manager.
(2) Represents one of the team members bolted on to a team that is monitoring a "watchlist" credit.

Section III

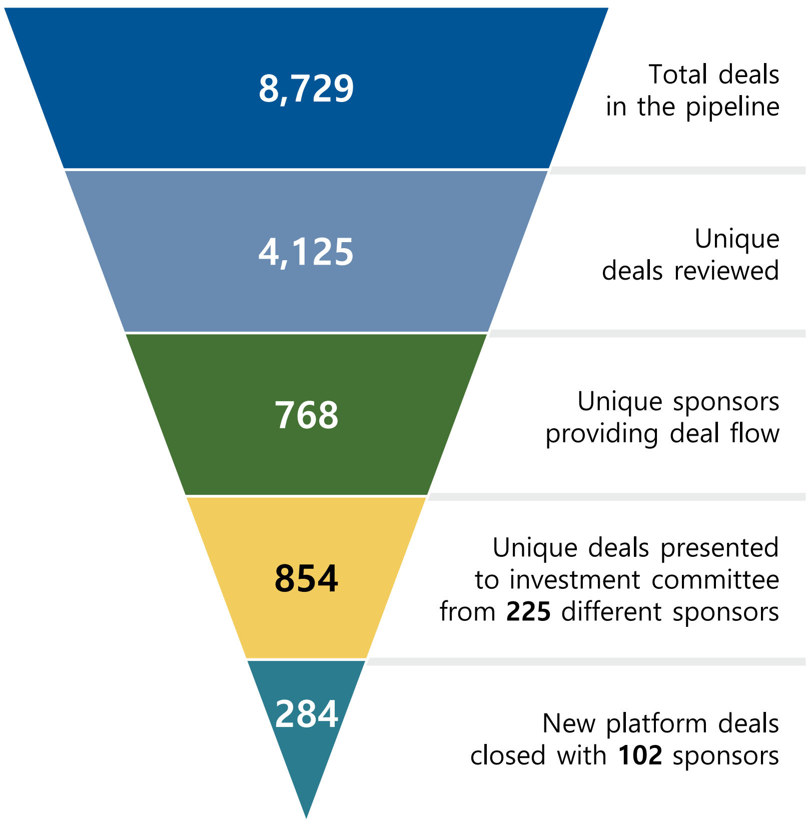
Origination

Building a Portfolio: Deals Reviewed

Total Deals Reviewed[1]



Deal Pipeline Diversification[2]



(1) Includes all deals included in the pipeline based off of the deal's 'Open Date'. Some individual deals are included multiple times if they are received from multiple sponsors.
(2) Includes all viewed deals entered onto the pipeline report through October 31, 2021.
There is no guarantee that suitable investments will be sourced for the fund.

Robust Origination and Deal Processes

The typical deal timeline is between 60 to 90 days.

Sourcing	Initial Screening	Initial Investment Committee Review	Underwriting/ Due Diligence	Final Investment Committee Review	Documentation & Closing	Portfolio Management
500+ Middle Market Private Equity Sponsor relationships Originator reviews the opportunity and determines if additional resources should be assigned to the transaction	Deal team performs granular credit and valuation analysis after which point loan structure, terms and pricing are initially set	Transaction is reviewed with Investment Committee and either approved for Term Sheet issuance or declined[1]	Deal team conducts in-depth due diligence to complete underwriting	Investment Committee reviews final underwriting document for final approval	External counsel engaged for documentation	Monitor assets for performance on a monthly, quarterly and annual basis; bolt on additional team members for any watchlist credits

Represents a typical process that may vary.
(1) Initial screening may be conducted by a subset of the Investment Committee.

Section IV

Underwriting and Portfolio Management

Our Portfolio Management Pillars

Administrative Agent - Provides a direct dialogue and access to both the Borrower and Private Equity firm

Revolvers - Provide a direct line of communication for every Revolver draw and analysis in real-time of the Borrower's liquidity

Generally 4-6 Portfolio Accounts per Underwriter - Allows for a thorough monitoring and interaction of every portfolio account by Twin Brook

Monthly Financial Statements and Financial Covenants - Allows for greater frequency of reporting and performance

Private Equity Backed Companies - Provides both Operational support and Capital support to these Borrowers

Illustrative Benefits to Our Approach

Covenants are not only critically important for value preservation but also pave the way for enhanced economics

- As the administrative agent or co-lead on 95% of our transactions we play a lead role in structuring the covenants in nearly all of our transactions and ensuring the cushions are appropriate
- Covenants, in concert with our leadership role, can help position us to earn amendment fees and often higher spreads when restructurings occur; all fees remain in the fund

Private Equity Sponsors can play an instrumental role in bringing resources and capital to bear

- Through the end of the second quarter of 2021 our sponsors have provided equity infusions for 35% of platform companies
- We remain actively engaged in discussion regarding future accretive actions, such as add-on acquisitions to support underperforming businesses

Lower Middle Market[1,2]

- We believe our lower middle market focus positions us well to continue to deploy capital through add-on acquisition activity during a period of time in which new LBO activity is negligible
- We believe our vast sourcing network and long-standing presence in the market position us well to capture market share in our targeted niche and remain active, thereby enabling our LPs to benefit from the increased economics on new transactions

(1) There is no guarantee that the investment objective will be successful or that losses can be avoided.
(2) There is no guarantee that suitable investment opportunities will be sourced for the Fund.

Active Portfolio Management

- Initial deal team responsible for ongoing borrower management with additional resources available, including the PM as needed
  - Deal teams include an account manager (associate or AVP level), a team leader (VP level) and an originator
  - Account managers typically monitor 4 – 6 borrowers
- Bolt on additional team members for any watchlist credits
- Both quantitative and qualitative metrics utilized
  - Proprietary Credit Loan Score Model (quantitative) enables the account manager to monitor any change in risk and provides an assessment of the overall portfolio
  - Proprietary Credit Risk Rating System (qualitative) allows the account manager to reflect intangibles or developments not reflected in the Credit Loan Score Model

Daily / Weekly	Monthly	Quarterly	Annual / Ongoing
Approve requests for Revolver and DDTL draws Pipeline review of upcoming opportunities including potential add-ons for existing borrowers Weekly watch list meetings with senior management	Proprietary loan tracking system updated on a monthly basis following the receipt and review of borrower financials Borrower financial updates summarized in a monthly portfolio report Conduct calls with sponsor and borrower management or loan agent as needed Monthly financial results compared back to original diligence materials and current year budget	Complete quarterly portfolio reviews Credit Loan Score and Credit Risk Rating updated to reflect recent performance Quarterly valuation marks reviewed by the valuation committee Quarterly portfolio summary presented to investment committee	Reconciliation of previously provided financials upon receipt of annual audit Review annual budgets and management long – term projections Typically visit borrowers annually or more often if needed

Represents typical management process which may vary and change without notice.

ANGELO GORDON

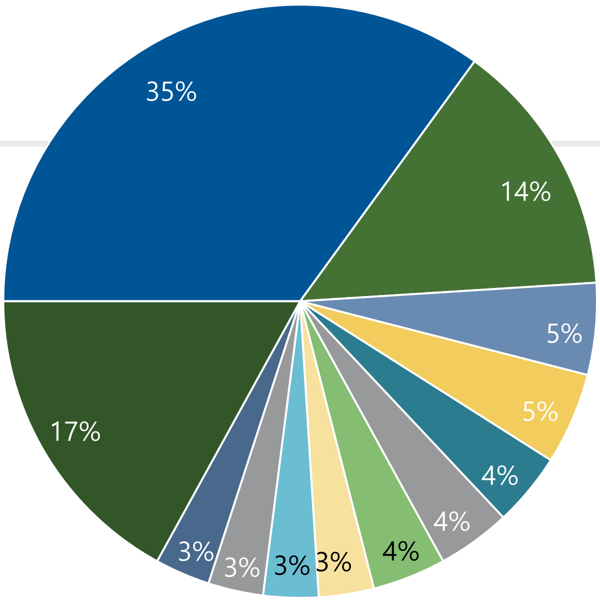
Industry Breakdown

Healthcare is a vast industry; our exposure includes:

- Medical devices
- Dental practice management
- Occupational and physical therapy clinics
- Dermatology clinics

Business services is also an expansive industry including exposure to businesses engaged in:

- Logistics
- Background screening
- Laundry service providers



- Healthcare: 35%
- Business Services: 14%
- Wholesale Distribution: 5%
- Chemicals, Plastics, & Rubber: 5%
- Software Services: 4%
- Advertising, Printing & Publishing: 4%
- Consumer Services: 4%
- Durable Consumer Goods: 3%
- Retail: 3%
- Capital Equipment: 3%
- Banking, Finance, Insurance & Real Estate: 3%
- Other Industries (less than 3% individually): 17%

Note: Total committed positions as of October 31, 2021; includes all deals closed across the Twin Brook platform including predecessor funds. May not be representative of Fund IV.

Section V

Summary of Key Terms

AG Direct Lending SMA Summary of Key Terms

Fund Name:	AG Direct Lending SMA
Initial North Dakota Investment:	$50 million
SMA Growth Schedule:	Following North Dakota's initial commitment of $50 million, all capital and income distributions from Fund III and Fund IV will be reinvested into the SMA as the Funds enter their harvest periods and the underlying loans mature
SMA Term:	Evergreen
Target Net IRR[1]:	10-13%
Income Reinvestment:	Full reinvestment
Expected Leverage:	1.25x - 1.5x debt to equity[2] with a maximum allowance of 2.0x
Management Fee:	**Tiered Management Fee Schedule based on SMA Commitment Level[3]** • <$250 million: 0.75% • $250 million - $500 million: 0.60% • >$500 million: 0.50%
Incentive Compensation:	15% to the General Partner subject to a 7% preferred return with an 80/20 catch-up
Distribution Policy:	As North Dakota intends to recycle all principal and interest until the SMA is at desired scale there would be no distributions. The incentive fee would crystallize every 2 years based on a hypothetical liquidation at that time pursuant to the following calculation: Waterfall: 100% to North Dakota, until North Dakota receive an amount equal to its total invested capital; 100% to North Dakota, until North Dakota receive a 7% preferred return; 80% to the general partner, until the general partner receives 15% of cumulative distributions; Thereafter, 85% to North Dakota and 15% to the general partner.
Key Person Language:	Any two of Trevor Clark, Andrew Guyette, or Josh Baumgarten

Please refer to the Confidential Information Memorandum for a complete description of terms.
(1) Based on current market conditions as well as the assumptions and models of the portfolio manager and subject to change without notice. Should not be regarded as a representation, warranty or prediction that the fund will achieve or is likely to achieve any particular result or that investors will be able to avoid losses. The Fund's ability to achieve its target return is contingent upon, among other factors, the Fund's ability to deploy cash over time. (2) General expectation based on current market conditions and subject to change without notice. (3) Management fee calculated as Fee rate x quarterly average cost of investments (same calculation as Funds III / IV).

Appendix

Biographies

Middle Market Direct Lending Team

Trevor Clark joined Angelo Gordon in 2014 to establish the firm's middle market direct lending loan business, Twin Brook Capital Partners. He is a Managing Director and a member of the firm's Executive Committee and Partnership Advisory Board. Trevor oversees overall operations of the middle market direct lending business and leads its fundraising efforts. Prior to joining Angelo Gordon, Trevor was a co-founder and C.E.O. of Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investments where he oversaw all operational and strategic activities of the middle market lending operation. Prior to forming Madison Capital, Trevor held various positions in loan underwriting and origination at Antares Capital, GE Capital, and Bank of America. He holds a B.A. degree from the University of Iowa, Iowa City and an M.B.A. degree from Indiana University, Bloomington.

Betsy Booth joined Angelo Gordon in 2015 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Betsy was at Ares Management LLC where she underwrote senior debt and unitranche credit facilities supporting private equity backed transactions primarily in the middle market space across a variety of industries. Previously, Betsy was with Madison Capital Funding LLC where she underwrote and managed senior credit facilities supporting middle-market private equity transactions, managing all aspects of the underwriting process including loan structuring, due diligence and financial modeling as well as legal documentation and negotiation. Prior to Madison Capital, Betsy held a number of positions at MB Financial Bank, N.A., including credit analyst, portfolio manager and new business development. Betsy received a B.S. in Finance from the University of Illinois, Urbana-Champaign.

Richard Christensen joined Angelo Gordon in 2015 and is a Senior Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. He is a Senior Originator and oversees all Capital Markets activity for the business. Prior to joining Angelo Gordon, Rich had been with Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investments, since its initial founding in 2001. Rich's primary responsibilities at Madison Capital included client relationship management and new business development, where he focused on originating and structuring transactions with middle market private equity sponsors. Additionally, at Madison Capital, he was part of the organization's specialty Micro Cap Leveraged Finance Group, which executed transactions for private equity sponsors in the Lower Middle Market. Prior to joining Madison Capital, Rich held various positions in loan underwriting and portfolio management at Bank of America's Commercial Finance Group (formerly NationsCredit Commercial Corp.) and First Source Financial, Inc. Rich received a B.S. in Finance from the University of Arkansas and an M.B.A. and an in Accounting from the University of Iowa.

Jennifer Dzwonchyk joined Angelo Gordon in 2017 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. She is focused on evaluating, underwriting, structuring, and managing senior and unitranche cash flow loans to support private equity backed transactions. Prior to Twin Brook, Jennifer worked as a Private Equity Associate at Frontenac Company. She previously held roles at JPMorgan in investment banking as well as mezzanine lending within Chase Capital, a division of JP Morgan Chase. Jennifer holds a B.A. in Economics from Middlebury College and an M.B.A. from Harvard Business School.

Nick Fessler joined Angelo Gordon in 2018 and is a Vice President in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining the firm, Nick was an Assistant Vice President at Antares Capital LP, where his responsibilities included structuring, underwriting and portfolio management of private equity sponsored transaction across a variety of industries. Nick began his career with GE Capital as part of its financial management program (FMP). Nick holds a B.B.A. in Finance from the University of Notre Dame and an M.B.A degree from University of Chicago Booth School of Business.

Middle Market Direct Lending Team

(continued)

Drew Guyette joined Angelo Gordon in 2015 and is a Senior Partner and Chief Credit Officer in the firm's middle market direct lending business, Twin Brook Capital Partners. He is responsible for overseeing the Underwriting, Credit and Portfolio Management functions. Prior to joining Angelo Gordon, Drew had been with Madison Capital, a wholly owned subsidiary of New York Life Investments, since 2007. Drew's primary responsibilities at Madison Capital included structuring, underwriting, negotiating, and managing client relationships, where he focused on generalist and technology transactions with middle market private equity sponsors. Additionally, Drew managed one of Madison Capital's Underwriting Teams of professionals. Prior to joining Madison Capital, Drew held a variety of positions at MB Financial Bank, N.A., including underwriting, portfolio management, and new business development. Drew received a B.S. in Finance from the University of Illinois, Urbana-Champaign.

Grant Haggard joined Angelo Gordon in 2015 and is a Senior Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. He is primarily responsible for overseeing the business' generalist originations activity. Prior to joining Angelo Gordon, Grant had been with Ares Management LLC for the previous year. Prior to Ares, Grant was with Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investors, from 2008 to 2014. Grant's primary responsibilities at Ares and Madison Capital included client relationship management and new business development, where he focused on originating and structuring transactions with middle market private equity sponsors. Prior to joining Madison Capital, Grant held various positions in originations, loan underwriting and portfolio management at Linsalata Capital Partners and Antares Capital Corporation. Grant received a B.S. in Accounting from the University of Cincinnati and an M.B.A. from the Kellogg School of Management at Northwestern University.

Tim Healy joined Angelo Gordon in 2018 and is a Managing Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Tim's responsibilities include originating, evaluating and structuring new credit opportunities among private equity sponsors. Prior to joining the firm, Tim spent 13 years with Linsalata Capital Partners, rising to the level of Senior Vice President and Partner, where he led the firm's marketing, intermediary development activities and deal sourcing efforts. Tim's additional responsibilities included acquisition searches, due diligence, negotiations and portfolio company oversight. Prior to LinCap, Tim spent 13 years with National City Bank as a Senior Vice President in the Equity Sponsor Group, providing senior debt financing for private equity firms and their portfolio companies. Tim received a Master of Business Administration from the Simon Business School at the University of Rochester and a Bachelor of Arts degree in English from the University of Rochester.

Christopher Hendrix joined Angelo Gordon in 2016 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Previously, Chris served as an Associate at Chase Capital, a division of JPMorgan Chase. His role at Chase Capital included underwriting and managing senior and junior cash flow loans to privately-owned and sponsor-owned middle market companies across a broad range of industries. Prior to his role as an Associate, Chris served as an Analyst in JPMorgan Chase's broader middle market commercial lending division. Chris received a B.S. degree in Business Administration, summa cum laude, with a concentration in Finance from Fordham University.

Middle Market Direct Lending Team

(continued)

Faraaz Kamran joined Angelo Gordon in 2016 and is a Senior Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. Faraaz focuses on the business' healthcare portfolio. Prior to joining the firm, Faraaz was with Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investors. Faraaz founded Madison Capital's healthcare group and built a team of ten professionals. Faraaz's responsibilities included building and managing the healthcare silo as well as client relationship management and new business development, where he focused on originating and structuring transactions with middle market private equity sponsors. Prior to joining Madison Capital, Faraaz held various positions in originations, loan underwriting and portfolio management at Dresdner Kleinwort Wasserstein and American National Bank. Faraaz received a B.A. in Economics from the University of Illinois at Urbana- Champaign and an M.B.A. from the Kellogg School of Management at Northwestern University.

Evan Larsen joined Angelo Gordon in 2015 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Evan was an Associate with U.S. Bank's Leveraged Finance division for two years, where he was responsible for underwriting new transactions and portfolio management of existing loans. Prior to his role in Leveraged Finance, Evan was an Analyst at U.S. Bank, supporting various corporate, commercial and specialty lending groups. Evan received a B.S. degree from Saint Louis University.

Tony Maggiore joined Angelo Gordon in 2016 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Tony was a Senior Associate with Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investments, since 2014. At Madison Capital, Tony's responsibilities included the structuring, underwriting, and portfolio management of transactions across a range of industries with middle market private equity sponsors. Prior to Madison Capital, Tony worked in NewStar Financial's Leveraged Finance division for approximately two years, where he was responsible for underwriting new transactions and portfolio management of existing loans. Tony received a B.S. degree from Boston College's Carroll School of Management Honors Program.

Christopher Martin joined Angelo Gordon in 2016 and is a Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Chris was with Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investments, since 2008. Chris's responsibilities at Madison Capital included client relationship management, business development and underwriting, where he was responsible for originating and structuring transactions with middle market private equity sponsors. Prior to Madison Capital, Chris held various positions within Comerica Bank's Private Equity and Middle Market Banking groups, where he was responsible for business development, underwriting and portfolio management. Chris received a B.S. degree in Finance from the University of Delaware and an M.B.A degree from the Kellogg School of Management at Northwestern University.

Pete Notter joined Angelo Gordon in 2016 and is a Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Pete spent ten years at Madison Capital Funding LLC, working in a variety of roles including relationship management, structuring, underwriting, and portfolio management. While at Madison Capital Pete jointly founded the firm's Micro Cap lending initiative. Prior to joining Madison Capital he spent seven years at National City Bank (predecessor to PNC Bank) as a relationship manager in its Midwest Corporate Banking Group. Pete started his career at Bank of America. Pete received his B.A. degree in Economics from Ohio University and holds an M.B.A. from the Weatherhead School of Management at Case Western Reserve University.

Middle Market Direct Lending Team

(continued)

Sarah Roche joined Angelo Gordon in 2017 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Twin Brook, Sarah was a Vice President at NXT Capital LLC. Sarah's responsibilities at NXT Capital included evaluating, structuring, underwriting, executing and syndicating leveraged finance transactions for middle market private equity sponsors. Prior to NXT, Sarah held several positions at JPMorgan Chase Bank, N.A., including credit analyst, portfolio manager, mezzanine debt private placements associate and syndicated leveraged finance associate. Sarah received a B.S. in Accounting from Miami University's Farmer School of Business.

Garrett Ryan joined Angelo Gordon in 2017 and is a Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. With over 20 years of experience in capital markets, Garrett has extensive knowledge in middle market direct lending as well as institutional, high yield, and asset-based lending. His team maintains close relationships with all middle market lenders. Garrett supports Twin Brook's originators and underwriters in structuring, pricing, and negotiating multi lender transactions. Garrett also oversees the development and implementation of Twin Brook's Marketing strategies and initiatives. He received his finance degree from University College Dublin and an MBA from the Kellogg School of Management.

Karen Saunoris joined Angelo Gordon in 2014 and is a Director of Operations in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining the firm, Karen was at Madison Capital Funding LLC for over 12 years, most recently as Operations Manager, where she focused on developing and building the loan servicing function. In addition, Karen worked at BAI and GE Capital in various operational roles. Karen received her B.S. degree in Finance from Illinois State University.

Timothy Schifer joined Angelo Gordon in 2017 and is a Managing Director in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining Angelo Gordon, Tim spent over 14 years with Madison Capital Funding LLC serving in a variety of roles, including underwriting deal team leader, new business development and sponsor client relationship manager, senior portfolio manager, and most recently its Director of Portfolio Management overseeing Madison's loan and investment portfolio. Prior to Madison Capital, Tim's experience includes corporate lending and financing middle market private equity sponsored transactions at the leveraged finance units of Mercantile Bank (now U.S. Bank) and LaSalle Bank (now Bank of America). He is also a former active duty U.S. Air Force Captain and holds a B.S. degree from the U.S. Air Force Academy and an M.B.A. from the University of Wyoming.

Danette Shepherd joined Angelo Gordon in 2015 and is a Vice President in the firm's middle market direct lending business, Twin Brook Capital Partners. Previously, Danette was at Madison Capital Funding LLC for over nine years, where she handled all of the operational needs of a diverse loan portfolio, most recently as a Senior Loan Administrator. Prior to Madison Capital, Danette worked at GE Capital in the operations department. Danette received her B.S. in finance from Governor's State University.

Joe Tinaglia joined Angelo Gordon in 2019 and is a Director in the firm's middle market direct lending business, Twin Brook Capital Partners. He leads an underwriting team focusing on the structuring, diligence, negotiating, execution, and monitoring of investments. Prior to joining the firm, Joe held positions at Vista Credit Partners and Madison Capital Funding LLC, a wholly owned subsidiary of New York Life Investors. Joe's primary responsibilities at Vista and Madison Capital included executing and managing cash flow loans supporting private equity sponsors as well as additional responsibilities focused on capital raising, fund management, investor relations, and recruiting. Prior to joining Madison Capital, Joe was a credit analyst at JPMorgan Chase Bank in the middle market. Joe received a B.S. in Finance from the University of Illinois, Urbana-Champaign.

Middle Market Direct Lending Team

(continued)

Kim Trick joined Angelo Gordon in 2016 and is a Managing Director and Head of Underwriting in the firm's middle market direct lending business, Twin Brook Capital Partners. She serves as Head of Underwriting for the business and is active in the team's recruitment efforts. Prior to joining Angelo Gordon, Kim worked for Chase Capital, a division of JPMorgan Chase, since 2008. Kim's responsibilities at Chase Capital included originating, evaluating, structuring, executing and managing senior and junior cash flow loans to privately-owned and sponsor-owned middle market companies across a broad range of industries throughout North America. Prior to joining Chase Capital, Kim worked at JPMorgan's Investment Bank. Kim received her B.B.A. in Finance, cum laude, from the University of Notre Dame.

Terry Walters joined Angelo Gordon in 2019 and is a Chief Financial Officer in the firm's middle market direct lending business, Twin Brook Capital Partners. Prior to joining the firm, Terry spent eight years in various roles with Victory Park Capital Advisors and Vitalogy Capital Partners. Prior to that, Terry worked at Citadel Group's fund administrator, Omnium, as well as Ernst & Young LLP. Terry holds a B.A. in accountancy and finance from Augustana College and a M.Acc. degree from the University of Iowa. He is a Certified Public Accountant (inactive).

Tim Wentink joined Angelo Gordon in 2019 and is a Partner in the firm's middle market direct lending business, Twin Brook Capital Partners. Tim focuses on originating, structuring, underwriting, and negotiating healthcare transactions. Prior to joining the firm, Tim spent 11 years with Madison Capital Funding LLC, as part of the company's Healthcare Leveraged Finance group. Previously, Tim held various positions within Merrill Lynch Capital Healthcare Finance's leveraged lending group, as well as JPMorgan Chase's commercial lending group. Tim received a B.S. degree in Finance from the University of Illinois at Urbana-Champaign and holds the Chartered Financial Analyst (CFA) designation.

Josh Baumgarten is co-Chief Executive Officer and co-Chief Investment Officer of Angelo Gordon. He leads the Firm's Credit business and is co-portfolio manager for AG Super Fund and multi-strategy portfolios. Prior to joining Angelo Gordon in 2016, Josh was a Senior Managing Director at Blackstone and focused on Blackstone Alternative Asset Management, the firm's hedge fund solutions business. At BAAM, which he joined in 2007, Josh oversaw credit investing and worked closely with some of the most well-regarded credit investors around the globe. He played a key role in Blackstone's global co-investment business. Prior to Blackstone, Josh was a Portfolio Manager and trader at Blackrock, which he joined in 2000. His principal focus was on Blackrock's high-yield portfolios. Josh started his career at Jefferies in investment banking and also spent time early in his career in venture capital investing. Josh is a member of the Children's Board at Columbia (Columbia University Medical Center). He has a B.S. degree in Economics with concentrations in Finance and Accounting from The Wharton School at the University of Pennsylvania.

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RE: Cash Management
(No Action Requested)

On November 29, 2021, the Board of University and School Lands (Board) informally requested a review of the Department of Trust Land's (Department) cash management by Department Staff (Staff). Staff reviewed the four primary account categories within the Department: Common Schools' Trust Fund (CSTF) account, other Permanent Trust Funds' (PTFs) accounts, Unclaimed Property (UP) account, and the appropriated accounts (Strategic Investment and Improvement Fund, Capitol Building Fund and Coal Development Trust Fund accounts).

The CSTF is required to make regular monthly payments to the Department of Public Instruction (DPI) during the school year. The CSTF account generally holds an amount the represents between 2 and 3 months of cash owed to DPI at the Bank of North Dakota (BND). BND has agreed with the Department to pay a rate of interest equivalent to the rate paid by Northern Trust's (NT) money market fund. The 2 and 3 months of cash holdings reflects the Staff's long held view of the prudent amount to retain in case of significant economic stress. This view was vindicated in 2020 when the CSTF revenues dropped precipitously, and the cash amount at BND was drawn down to just over one month's amount.

The other PTFs are treated differently than CSTF, because unlike CSTF, the other PTFs only make one annual payment to the beneficiaries in January of each year. As such, the accounts are limited to a target of 1/12 portion of the annual payment each month. As the year progresses the cash amount in the accounts increase by a targeted maximum of 1/12 per month. So that by January of the following year there would be enough to make its annual payment. This limits the amount of cash accumulated in the other PTFs' accounts at any point in time.

[The holdings in the PTF transition account related to the significant changes in the strategic asset allocation was not considered here due to its transient nature, and its investment in short-term bonds.]

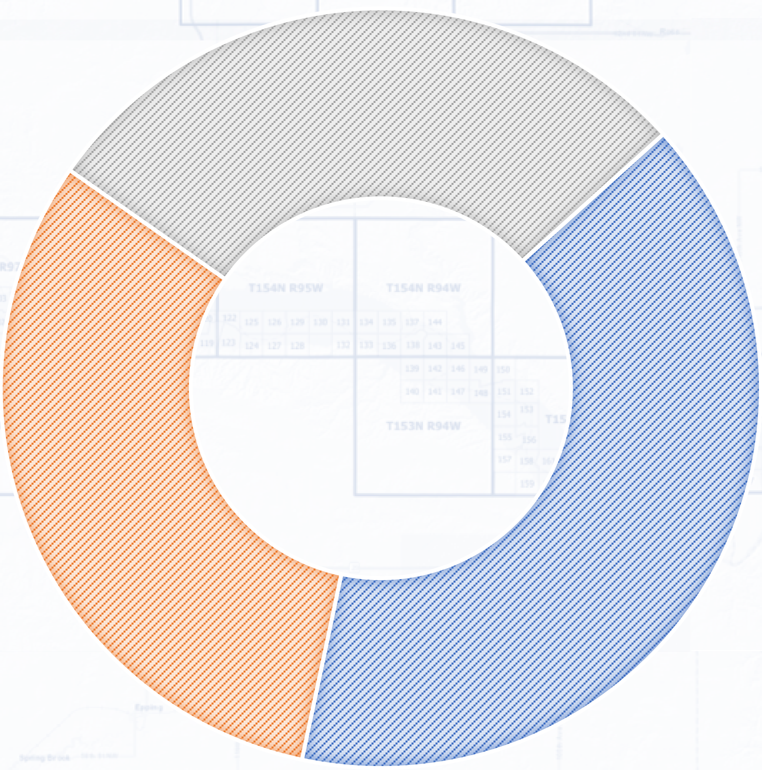
The UP account has a Department policy range of $1.5 million to $2.5 million. This reflects the experience of the UP Division's cash needs on a monthly basis. The Staff reviews its policies the January after each legislative session, including the UP cash policy range. During the review of policy, the actual monthly distribution experience of UP Division is used to confirm the appropriate policy range.

The appropriated accounts all hold cash in amounts reflective of the outstanding appropriations made by the State Legislature. Excess cash above the appropriated amounts are invested in short-term bonds at NT in the Ultra-Short account. In addition, the Department may invest additional cash in the Ultra-Short account, to the extent that it is informed by the Office of Management and Budget that a particular appropriation may not be called for some time. Unfortunately, there is typically little visibility with regard to cash calls under these appropriations, which means the most prudent course is to hold the cash at BND, earning money market returns.

NOVEMBER ACREAGE ADJUSTMENT SURVEY REPORT

500

Total Leases Under Review

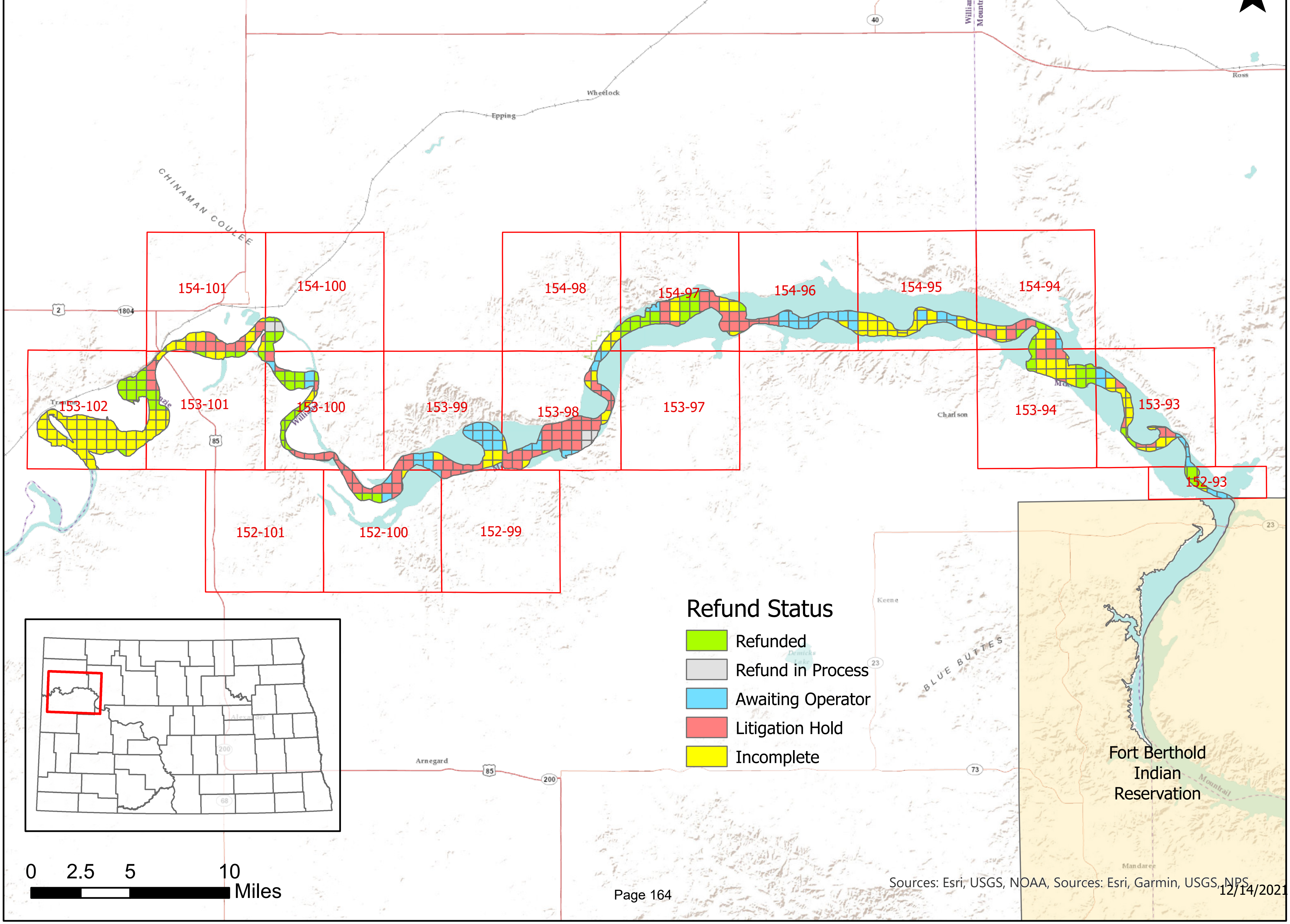


- Reviewed (200)
- Incomplete (157)
- Litigation Hold (143)

STATUS OF 200 REVIEWED LEASES

68	Awaiting Operator Execution
8	Refund in Process
124	Refunded $10,840,957 Paid $3,001,853 Received

Refund Status of NDDTL River Tracts



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
December 21, 2021

RE: Repayment of Unpaid Gas Royalties Update

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 February 2020 Letter 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.

The Department has several royalty repayment offers prepared to present to the Board in executive session pursuant to N.D.C.C. §§ 44-04-19.1 and 44-04-19.2.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
December 21, 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 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. 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. On July 1, 2021, Defendants filed their Motion for Summary Judgment and Plaintiffs filed their Motion for Partial Summary Judgment. On August 2, 2021, Plaintiffs filed a Motion to Admit Garrett S. Martin Pro Hac Vice and their Response Brief in Opposition to Motion for Summary Judgment. Also on August 2, 2021, Defendants filed their Brief in Response to Plaintiffs' Motion for Partial Summary Judgment. On August 4, 2021, the parties filed an Expedited Joint Motion for Extension of Time to Reply to Briefs in Opposition/Response to Motions for Summary Judgment and the Joint Motion to Exceed Volume Limitations. On August 5, 2021, the Court issued its Order Granting Expedited Joint Motion for Extension of Time to Reply to Briefs in Opposition/Response to motions for Summary Judgment and the Order Granting Joint Motion to Exceed Volume Limitations. The parties now have until August 30, 2021 to file their opposition/response briefs and the page limit was extended from 12 pages to 30 pages for both parties. On August 9, 2021, Plaintiffs requested a hearing on Plaintiff's Motion for Partial Summary Judgment and Defendants Motion for Summary Judgment and scheduled that hearing for September 16, 2021, at 10 a.m. Also on August 9, 2021, a Pretrial Conference was scheduled for 10 a.m. on October 1, 2021. Mediation was held September 2, 2021. The Deposition of Adam Otteson was held August 31, 2021; Jodi Smith's deposition was held September 14, 2021; the deposition of Kelly Vandamme was held September 22, 2021; and the deposition of John Kemmerer was held for September 23, 2021. On September 3, 2021, Plaintiffs filed a Motion to Compel which was later withdrawn on September 16, 2021. On September 8, 2021, Plaintiffs submitted a Motion to Admit Ryan Pitts Pro Hac Vice. The Order of Admission was signed September 9, 2021. On September 10, 2021, Plaintiffs filed a Motion to Exclude Evidence Attached to Defendants Summary Judgment Brief. They also filed an Emergency Motion for Expedited Briefing Schedule and a request for the hearing on both of these motions be held with the motions for summary judgment. Judge Schmidt sent an email to the parties on September 10, 2021 regarding the status. On September 14, 2021, the Order Extending Deadline to Submit Motions in Limine and Pretrial Statements to be due September 20, 2021 was signed. On September 15, 2021, Defendants filed a Motion to Exclude Evidence and Response to Plaintiffs' Motion to Exclude. The parties attending the oral argument on September 16, 2021 and an Order on Cross Motions for Summary Judgment was issued that date. On September 17, 2021, the parties filed a Stipulation regarding Trial Witnesses and the Order Adopting the Stipulation was signed on September 20, 2021. On September 20, 2021, the Defendants filed an Expedited Motion to Supplement Exhibits and Plaintiffs filed a Motion in Limine or to Exclude and Limit Anticipated Testimony. The parties also filed their Pretrial Statements and a Combined Exhibit list. On September 23, 2021, Plaintiffs filed their Response in Opposition to Defendants' Expedited Motion to Supplement Exhibits and the Court entered the Order Granting Expedited Motion to Supplement Exhibits filed by Defendants. On September 24, 2021, Plaintiffs filed their Response in Opposition to Defendants' Motion to Exclude Evidence, an Expedited Motion to Take Joy Barnett's Testimony by Reliable Electronic Means, and a Special Motion to Exclude and Motion in Limine. Defendants filed a Supplemented Exhibit List. On September 27, 2021, the Court entered its order Granting Plaintiffs' Expedited Motion to Take Joy Barnett's Testimony by Reliable Electronic Means. Defendants filed a Second Supplemented Exhibit List and their response to Plaintiff's Special Motion to Exclude and Motion in Limine. On September 28, 2021, Defendants filed their response to Plaintiff's Motion in Limine or to Exclude and Limit Anticipated Testimony. A pretrial conference was held on October 1, 2021. The trial was held on October 4, 5 & 6. The Court issued its Memorandum Opinion, Findings of Fact, Conclusions of Law and Order for Judgment on October 13, 2021. On October 22, 2021, Plaintiffs filed their Statement of Costs and Disbursements of Lawrence Bender, Statement of Costs and Disbursements of Michelle P. Scheffler, and proposed Judgment**.** On October 27, 2021, the State sent a letter to the Honorable Robin A. Schmidt advising that the State intended to submit a response to the proposed Judgment filed by Plaintiffs. On November 5, 2021, the State filed its Objection to Plaintiff's Proposed Judgment. On November 12, 2021, Plaintiffs filed a Notice of Motion, Motion, and Brief in Support of Motion for Leave to File a Response to Defendants Objections to the Proposed Judgment. Order for Judgment was entered on November 16, 2021. The Notice of Entry of Judgment and Judgment were entered on November 17, 2021.

Current Status:

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
December 21, 2021

RE: Wilkinson Litigation
(No Action Requested)

Case:	**William S. Wilkinson, et. al. v. Board of University & School Lands, Brigham Oil & Gas, LLP; EOG Resources, Inc.; Case No. 53-2012-CV-00038**
Date Filed:	**January, 2012**
Court:	**Williams County District Court**
Judge:	**Paul Jacobson**
Attorney:	**Jennifer Verleger/Matthew Sagsveen/David Garner**
Opposing Counsel:	**Josh Swanson/Rob Stock, Lawrence Bender, John Ward**

Issues: The Wilkinson lawsuit was filed on January 10, 2012. The Plaintiffs assert that they own minerals in a 200 acre tract west of Williston. This suit was initially filed in state court as a quiet title action. The Attorney General's Office filed an Answer and Counterclaim on February 27, 2012.

On July 1, 2014, the Plaintiffs filed an amended complaint in the case and added claims of unconstitutional takings, conversion, constructive trust and unjust enrichment, civil conspiracy and deprivation of rights under 42 U.S.C. § 1983. Plaintiffs assert in their amended complaint that the Board should be issuing leases on the west side of the Highway 85 bridge pursuant to the Phase II Investigation – the estimated location of the ordinary high watermark (OHWM) prior to inundation of Lake Sakakawea – rather than the Phase I Delineation – current location of the OHWM. Plaintiffs argue that the subject property is located under Lake Sakakawea, which did not exist at statehood, and thus the state did not acquire title to it as sovereign lands. Therefore, the State's title to the Missouri River is limited to the channel as it existed prior to inundation of Lake Sakakawea as determined by the Phase II investigation.

In January of 2016, the State Engineer sought and was granted intervention. A joint motion for summary judgment was filed by the Board and the State Engineer on March 1, 2016. On May 18, 2016, the district court granted the motion for summary judgment finding that: (1) the subject property is located along the Missouri River, which is no doubt navigable; (2) The Phase I Delineation should be used to determine the OHWM for the subject property rather than the Phase II Investigation, and therefore the property is determined to be sovereign land of the state of North Dakota; (3) to the extent Plaintiffs are aggrieved by the Phase I Delineation, they must exhaust their administrative remedies through the State Engineer before making a claim in district court; and (4) there are no grounds to support Counts II through VII. Plaintiffs filed a notice of appeal on June 1, 2016. Both EOG Resources, Inc. and Statoil Oil and Gas LP filed cross-appeals.

On September 28, 2017, the North Dakota Supreme Court reversed the district court's decision and remanded the case back to the district court. The Supreme Court held that:

1. Surface ownership could not be determined without the United States as a party to the action;

2. N.D.C.C. ch. 61-33.1 has a retroactive clause and the district court did not have an opportunity to determine if it applies and governs ownership of the minerals at issue;
3. A “takings” analysis must be conducted if the district court determines the State owns the disputed minerals; and
4. The district court erroneously made findings of disputed fact.

History: Due to the passage of S.B. 2134, the District 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 North Dakota Industrial Commission (NDIC). Plaintiff, after NDIC issued the review findings, requested a status conference with the Court to set a new trial date and other deadlines. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 11, 2018. The telephonic status conference scheduled for November 2, 2018 was cancelled. A Hearing on the Motion for Continued Stay was held November 30, 2018. Defendants submitted a proposed Order and the Judge asked for Plaintiffs to submit a proposed Order, which was filed December 4, 2018. The Court issued its Order on December 12, 2018, denying the Motion for Continued Stay and requiring the parties confer on a scheduling order and submit a Rule 16 scheduling order by January 26, 2019. The State filed a Motion for Proposed Scheduling Order on January 28, 2019, and Plaintiffs filed a notice of hearing on January 31, 2019, and filed their Response to State’s Motion for Proposed Scheduling Order and Plaintiffs’ Request for Rule 16(F) Sanctions on February 1, 2019. State Defendants filed a Reply Brief in Support of Motion for Proposed Scheduling Order on February 8, 2019. Statoil & Gas LP filed a Response to State’s Motion for Proposed Scheduling Order and Plaintiff’s Proposed Scheduling Order on February 11, 2019. Plaintiffs scheduled a hearing in District Court on the Motion for Scheduling Order which was held March 5, 2019, at 2:00 p.m. The District Court didn’t rule on the scheduling motions but granted Plaintiffs’ request to file a motion for Summary Judgment within 30 days of the hearing. On April 15, 2019, Plaintiffs’ filed with the District Court a Notice of Motion, Motion for Summary Judgment, Brief in Support of Motion for Summary Judgment, Affidavit of Joshua Swanson, Notice of Hearing (requesting a hearing be held at the earliest possible date available on the Court’s calendar), and proposed Order Granting Plaintiffs’ Motion for Summary Judgment. On April 17, 2019, Plaintiffs’ filed a Notice of Hearing scheduling a hearing for 2:00 p.m. on July 30, 2019 before the Honorable Paul W. Jacobson, at the Williams County Courthouse, Williston. The parties entered into a Stipulation Extending Time to Respond to Plaintiffs’ Motion for Summary Judgment and Plaintiffs’ Time to Reply which was entered May 1, 2019. The Order Extending Time to Respond was entered May 2, 2019, extending Defendants’ time to respond to June 14, 2019, and extending Plaintiffs’ deadline to file reply to July 1, 2019. On June 10, 2019 Statoil & Gas LP filed its Opposition to Plaintiffs’ Motion for Summary Judgment. Also, on June 10, 2019, the Stipulated Motion to Dismiss Defendant XTO Energy Inc. was filed in which Plaintiffs, Cross-claimant EOG, and Defendant XTO stipulated and requested the Court dismiss XTO from the action with prejudice and without costs and disbursements to any party, as it holds no ownership interest in, right to, claim or title to any mineral interests as alleged by Plaintiffs. The Board of University and School Lands filed its Brief in Opposition to Plaintiffs’ Motion for Summary Judgment on June 14, 2019. Also filed on June 14, 2019 where the State Engineer’s Response to Brief in Opposition to Plaintiffs’ Motion for Summary and the Response of EOG Resources, Inc., to Plaintiffs’ Motion for Summary Judgment. On June 17, 2019, the Court entered its Order Dismissing Defendant XTO Energy, Inc. from the Action. On July 1, 2019, Plaintiff’s filed their Reply Brief in Support of Motion for Summary Judgment. The hearing on the Motion for Summary Judgment was held on July 30, 2019. Order Granting Plaintiffs' Motion for Summary Judgment was entered on September 6, 2019.The proposed Judgment was submitted on September 12, 2019. The Judgment and Notice of Entry of Judgment were filed with the District Court on September 16, 2019. Board of University and School Lands' Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. State Engineer's Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. Notice of Appeal to North Dakota Supreme Court filed by Statoil Oil & Gas LP f/k/a Brigham Oil & Gas, LLP on November 27, 2019. Appellant's Initial Briefs were due December 12, 2019; however, a Joint Motion for Extension of Time to File Briefs was filed and an extension was granted on December 13, 2019, with all briefs being due to the Supreme Court as follows:

- Appellants' (including Board of University and School Lands) Initial Briefs - January 13, 2020;
- Appellees' Response Briefs – March 2, 2020; and
- Appellants' (including Board of University and School Lands) Reply Briefs – March 16, 2020.

On January 13, 2020, the Brief of Appellant, Board of University and School Lands was filed with the Supreme Court. Appellant North Dakota State Engineer's Principal Brief was also filed on January 13, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Reply Brief of Defendant and Appellant, Board of University and School Lands filed on March 16, 2020. Appellant North Dakota State Engineer's Reply Brief filed March 16, 2020. The North Dakota Supreme Court issued its Opinion of the Court on August 27, 2020. On September 18, 2020 a Notice of Hearing was filed in the District Court setting a status conference for October 13, 2020, at 3:30 p.m. The Court issued an Order After Status Conference dated October 13, 2020, stating that a two day bench trial will be scheduled. A telephonic scheduling conference was scheduled for October 29, 2020, at 10:00 a.m. On October 23, 2020, the Supreme Court Judgment/Opinion was filed with the District Court. On October 30, 2020, the Court issued its Order After Scheduling Conference. The matter was set for Court Trial on April 16, 2021, for one day and July 23, 2021, also for one day. Defense council expressed concerns with a conflict with other scheduled trials. Therefore, a status conference was set for February 4, 2021 to determine if any conflicts have been obviated. The Court indicated it would consult with the scheduling clerk to determine second priority dates for one day trials in 2021. The Court set backup Court Trial dates of May 27, 2021 and May 28, 2021. Plaintiffs' Combined Discovery Requests to Defendant, the Board of University and School Lands of the State of North Dakota were served on the Board on January 26, 2021. The Board has 30 days to respond. On February 25, 2021, the Board served its Answers to Plaintiffs' Combined Discovery Requests to Defendant, the Board of University and School Lands of the State of North Dakota, and the State Engineer served its answers to interrogatories. State Engineer's Interrogatories, Request for Admissions, and Request for Production of Documents Regarding Damages (Request II) was served March 12, 2021. On March 19, 2021, Defendant Statoil Oil and Gas, LP's Answers to Plaintiffs' Combined Discovery Requests to Defendant, Statoil Oil & Gas, LP was served. On March 22, 2021, Defendant Statoil Oil and Gas, LP's First Supplemental Answers to Plaintiffs' Combined Discovery Requests to Defendant, Statoil Oil & Gas, LP was served. Plaintiff's Responses to State Engineer's Interrogatories, Requests for Admissions, and Requests for Production of Documents regarding Damages (Request II) was served April 14, 2021. On April 20, 2021, Plaintiffs filed their Motion for Attorneys' Fees and Costs against the State of North Dakota. Plaintiffs scheduled a hearing on this motion for July 22, 2021. Plaintiffs scheduled a status conference for April 27, 2021. At that hearing, it was decided that the trial for May 2021 would be scheduled for July 22 & 23, 2021, in Williston. On May 18, 2021, the Board of University and School Lands and the State Engineer filed their Response Brief Opposing Plaintiffs' Motion for Attorneys Fees and Costs. On June 8, 2021, Plaintiffs filed their Reply to State's Response Brief Opposing Plaintiffs' Motion for Attorneys' Fees and costs. On June 22, 2021, Plaintiffs filed their Pretrial Statement and Defendants, Board and State Engineer, filed their Pre-Trial Brief. Bringham Oil & Statoil brought a Motion to Dismiss on July 7, 2021. On July 8, 2021, the parties exchanged their witness and exhibit lists. Motions in Limine were filed on July 8, 2021 by Bringham Oil and Statoil and the Board and State Engineer.

Current Status:

- **The parties shared various drafts of witness and exhibit lists prior to trial.**
- **On July 12, 2021, the State filed its Motion in Limine to Exclude Evidence Regarding Statutory Interest of 6.5% or 18% on Royalties and Motion in Limine to Exclude Evidence Regarding S&P Vanguard 500 Index Fund Investor Shares (VFINX) Damages.**
- **On July 14, 2021, Statoil and Brigham filed Brigham Oil & Gas, L.P. s and Statoil Oil & Gas, L.P. s nka Equinor Energy, O.P. s (Collectively Statoil) Unopposed Request for Leave to Allow Witness Amy Becker to Appear by Reliable Electronic Means and the request was granted the same day.**
- **On July 15, 2021, Plaintiffs Plaintiffs' Request for Witness to Participate by Telephone or Electronic Means and the requested was granted the same day.**
- **On July 19, 2021, Plaintiffs filed Supplemental Affidavit of Joshua A. Swanson in Support of Plaintiffs' Motion for Attorneys' Fees and Costs against the State of North Dakota.**
- **On July 21, 2021, Plaintiffs filed Plaintiff s Brief in Response to Defendant Brigham Oil & Gas LP s (Collectively Statoil) Motion to Dismiss, Plaintiffs Response Brief in Opposition to Brigham Oil & Gas, L.P. s nka Equinor Energy, LP s (Collectively Statoil) Motion in Limine, Plaintiffs Response Brief in Opposition to Board of University and School Lands and North Dakota State Engineer s Motion in Limine Regarding S&P 500 Vanguard 500 Index Fund Investor Shares (VFINX) Damages, Plaintiffs Response Brief in Opposition to Board of University and School Lands and North Dakota State Engineer s Motion in Limine Regarding Statutory Interest.**
- **The trial was held on July 22 and 23, 2021.**
- **On July 22, 2021, the parties filed a joint exhibit list.**
- **On July 28, 2021, Brigham Oil & Gas, L.P.'s and Statoil Oil & Gas L.P.'s nka Equinor Energy, L.P.'s (Collectively "Equinor") Reply Brief in Support of Motion to Dismiss was filed, as was the**

Stipulation/Agreement to Dismiss Plaintiffs' Claims Against Defendant EOG Resources, Inc.

- **On July 30, 2021, the Order Dismissing Plaintiffs' Claims Against Defendant EOG Resources, Inc. was filed.**
- **On August 11, 2021 the parties stipulated and the court entered its Order Dismissing Crossclaims Between Defendant EOG Resources, Inc., and Defendant Statoil Oil & Gas LP.**
- **On October 4, 2021, an Order Granting Extension of Time for Brigham and Statoil to File Reply Filings was filed.**
- **On October 5, 2021 Plaintiffs filed their Post-Trial Reply Brief and the Board and the State Engineer filed their Post Trial Response Brief.**
- **On December 10, 2021, the Court entered the Order for Judgment, which ordered:**
  - **Statoil's motion to dismiss (Index #594) is denied.**
  - **Statoil's motion in limine (Index #600) is denied as moot.**
  - **The State's motions in limine (Index #607 and #615) are denied as moot.**
  - **Petrogulf's crossclaims against EOG (Index #84) are dismissed with prejudice for failure to prosecute.**
  - **EOG's counterclaim against Plaintiffs and crossclaims against the Land Board, OXY USA, Inc., and Petrogulf (Index #65) are dismissed with prejudice for failure to prosecute.**
  - **Statoil's counterclaims against the Plaintiffs are dismissed because it is a prevailing party.**
  - **Based on the Supreme Court's ruling in *Wilkinson II* and the application of N.D.C.C. ch. 61-33.1 to the Disputed Property "the State of North Dakota does not own title to the mineral interests in the [Disputed] Property."**
  - **The takings claims in Counts II and III against the State are dismissed with prejudice.**
  - **The conversion claims in Count IV against Statoil and the State are dismissed with prejudice.**
  - **The unjust enrichment and constructive trust claims in Count V against Statoil and the State are dismissed with prejudice.**
  - **The civil conspiracy claims in Count VI against Statoil and the State are dismissed with prejudice.**
  - **The 42 U.S.C. § 1983 claim in Count VII against the State is dismissed with prejudice.**
  - **The Plaintiffs are not entitled to statutory damages under either N.D.C.C. § 47-16-39.1 or N.D.C.C. § 28-20-34, and are prohibited from claiming statutory damages until June 2022 under N.D.C.C. § 61-33.1-04(2)(b).**
  - **The Plaintiffs are not entitled to special damages attributable to lost investment opportunities in the S&P 500 VFINX.**
  - **The Plaintiffs request for $1,441,086.73 in interest is denied.**

- **The Plaintiffs are not entitled to damages under N.D.C.C. § 32-03-23(3) for Jon Patch's time. The request for $180,000 in damages is denied.**
- **The Plaintiffs are not entitled to damages for unjust enrichment and the Plaintiffs' request for bonus/rental payments and royalty payments through disgorgement under the State's contracts in the amount of $207,336.61 is denied.**
- **The Plaintiffs are not entitled to attorneys' fees or costs. The Plaintiffs' requests for attorneys' fees and costs are denied.**
- **Let Judgment be entered accordingly.**

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:

- **Acreage Adjustment Survey**
- **Royalty Repayment Report**
- **Newfield Exploration Company et al Civ. No. 27-2018-CV-00143**
- **William S. Wilkinson et al. Case No. 53-2012-CV-00038**

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.