

**Minutes of the Meeting of the  
Board of University and School Lands  
March 9, 2022**

The March 9, 2022 special meeting of the Board of University and School Lands was called to order at 4:30 PM via Microsoft Teams by Chairman Doug Burgum. Roll was called for members present.

**Members Present:**

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Drew Wrigley	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
Dennis Chua	Investments
Rick Owings	Administrative Staff Officer
Michael Shackelford	Investments Director
James Wald	Legal Council
Catelin Newell	Administrative Staff Officer
Peggy Gudvangen	Finance Division Director
Joe Heringer	Incoming Land Commissioner

**Guests in Attendance:**

Reice Haase	Office of the Governor
Ryan Norrell	Office of the Governor
Mike Nowatzki	Office of the Governor
Adam Willis	
C. Rajala	
Joe Ebisa	Journalist from withIntelligence
Geoff Simon	
Amy Sisk	Bismarck Tribune

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

A motion to approve the minutes of the February 24, 2022 regular meeting was made by Secretary Jaeger with the modification to be made on page 14, in which the title of Dennis Chua should be Investment “Analyst” and not “Advisor”. Motion seconded by Superintendent Baelser and the motion carried unanimously on a voice vote.

**I N V E S T M E N T S**

**Russian Investment Exposure**

The Permanent Trust Funds (PTFs) have within their Strategic Asset Allocation (SAA) exposure to emerging markets through both international equities and absolute return strategies. Within emerging markets Russian securities represented a small fraction, about 2-3% pre-war, depending on the index referenced. Currently, Russian securities represent less than 1% and are being removed from many emerging market indices.

The PTFs exposure to Russian securities is small as a percent of the total portfolio market value at just 0.07% or approximately \$4.2 million (please see below). All of the PTFs' investments in Russian securities are in either commingled funds or mutual funds managed by external investment managers. Commingled funds, like mutual funds, have multiple investors. Consequently, the investors in commingled funds and mutual funds have no practical ability to direct the fund manager in their investment decisions. Nevertheless, from the early days of the invasion Department Staff made clear to the managers that action should be taken to divest from Russian securities and comply with government sanctions. Additionally, Department Staff required an explanation of their strategy to divest from Russian securities and comply with government sanctions.

After Department Staff discussions with the investment managers, we have concluded the following:

1. Trading in Russian securities have seized up and there is little if any trading in these securities anywhere in the world. Based on this, it will be more difficult for these fund managers to continue to divest Russian securities.
2. All our managers are closely watching sanctions and other government actions that would affect the Russian securities they currently hold. They all are determined to remain in compliance with sanctions and other relevant regulations.
3. No new investment in Russian securities is contemplated, only the orderly and prudent divestment of Russian securities is being considered.
4. Our managers are behaving prudently and responsibly and are acting in the best interests of the PTFs.

Account	2/24/2022			3/4/2022		
	Market Value	Russia Exposure	%	Market Value	Russia Exposure	%
SSGA MSCI World ex US Index	\$ 619,042,206	\$ -	0.00%	\$ 603,092,346	\$ -	0.00%
Arrowstreet Emerging Mkt Equity	\$ 215,915,350	\$ 10,838,951	5.02%	\$ 209,533,640	\$ 2,032,476	0.97%
NTAM Emerging Mkt Equity Index	\$ 23,918,670	\$ 428,144	1.79%	\$ 23,164,379	\$ 257,125	1.11%
Acadian Int'l Small Cap Equity	\$ 175,465,973	\$ -	0.00%	\$ 174,559,382	\$ -	0.00%
SSGA MSCI ex US SmallCap Index	\$ 22,996,501	\$ 3,449	0.02%	\$ 22,634,422	\$ 1,811	0.01%
<b>Total Broad Int'l Equity</b>	<b>\$ 1,057,338,739</b>	<b>\$ 11,270,544</b>	<b>1.07%</b>	<b>\$ 1,032,984,169</b>	<b>\$ 2,291,412</b>	<b>0.22%</b>
GMO Benchmark Free	\$ 86,142,918	n/a	n/a	\$ 86,143,484	n/a	n/a
PIMCO All Asset All Authority	\$ 462,081,705	\$ 16,172,860	3.50%	\$ 467,945,686	\$ 1,403,837	0.30%
PineBridge Dynamic Asset Allocation	\$ 263,183,623	\$ 1,315,918	0.50%	\$ 257,635,907	\$ 515,272	0.20%
Millennium	\$ 30,000,000	\$ 45,000	0.15%	\$ 30,000,000	\$ 30,000	0.10%
<b>Total Absolute Return</b>	<b>\$ 841,408,246</b>	<b>\$ 17,533,778</b>	<b>2.08%</b>	<b>\$ 841,725,078</b>	<b>\$ 1,949,109</b>	<b>0.23%</b>
<b>Total Assets</b>	<b>\$ 6,048,505,088</b>	<b>\$ 28,804,322</b>	<b>0.48%</b>	<b>\$ 6,039,045,944</b>	<b>\$ 4,240,521</b>	<b>0.07%</b>

## A D J O U R N

There being no further business, the meeting was adjourned at 5:07 PM.

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Doug Burgum, Chairman  
Board of University and School Lands

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Jodi Smith, Secretary  
Board of University and School Lands