

Governor's Conference Room and Microsoft Teams meeting

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[+1 701-328-0950](tel:+17013280950),,570363531# United States, Fargo

Phone Conference ID: **570 363 531#**

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

➤ = **Board Action Requested**

1. **Approval of Meeting Minutes – Joseph Heringer, Commissioner**
Consideration of Approval of Land Board Meeting Minutes by voice vote.
 - A. [January 25, 2024](#) – minutes available via link
2. **Operations – Joseph Heringer, Commissioner**
 - A. Commissioner's Report – pg. 2
 - B. Updated Financial Authority Resolution – pg. 3
 - C. Financial Dashboard – pg. 4
 - D. Commissioner Performance & Compensation Committee Recommendation – Treasurer Beadle – pg. 10
3. **Division Reports – Joseph Heringer, Commissioner**
 - A. Surface – Joseph Stegmiller, Surface Director – pg. 24
 - B. Minerals – Chris Suelzle, Minerals Director – pg. 25
 - C. Unclaimed Property – Susan Dollinger, Unclaimed Property Director – pg. 32
 - D. [Financials](#) – Peggy Gudvangen, CFO - financial report available via link
4. **Investments – Frank Mihail, CIO**
 - A. Investment Update – pg. 33
 - B. Venture Capital Recommendation – Industry Ventures: Geoff LeMieux, J.R. Roosevelt – pg. 36 (in person)
 - C. Venture Capital Recommendation – Andreessen Horowitz (a16z): Charlie Payton & Jen Kha – pg. 61 (via Teams)
5. **Litigation – Joseph Heringer – pg. 77**
 - **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: - pg. 81**
 - Royalty Settlement Offers
 - Continental Resources, Inc. v. North Dakota Board of University and School Lands (Royalty Deductions Case)

Next Meeting Date – March 28, 2024

RE: Commissioner's Report
(No Action Requested)

- Oil Royalty Deductions Settlements - In discussions with two major Bakken operators; anticipating agreements can be reached Q1 2024
- Biennial Strategic Planning – presentation to Governor scheduled for April 8, 2024
- Administrative Rules Revisions – will be presenting rules package approved at January 2024 meeting to the Administrative Rules Committee on March 5, 2024
- January 25, 2024 – tour of ND State Archives with focus on Land Board/DTL documents
- January 26, 2024 - attended full State Investment Board meeting as a voting member
- January 29, 2024 – legislative cash management study interview with consultant RVK
- January 30, 2024 - meeting with Justin Kringstad (ND Pipeline Authority) and Claire Vigesaa (ND Transmission Authority) regarding recent Bakken Crude price spread changes and market /industry projects and trends
- February 5, 2024 – legislative ESG study meeting
- February 9, 2024 - attended State Investment Board – Investment Committee meeting as a voting member
- February 20, 2024 - attended State Investment Board – Investment Committee special meeting as a voting member
- February 21, 2024 – attended joint meeting of Lignite Research Council, Oil and Gas Research Council, and Renewable Energy Council as voting member of the Lignite Research Council
- February 23, 2024 - attended full State Investment Board meeting as a voting member

**RESOLUTION
OF THE
NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS**



**ADOPTED BY THE BOARD
AT THE FEBRUARY 29, 2024 MEETING**

BE IT RESOLVED, that Joseph Heringer, Land Commissioner, shall have authority to represent the Board in all activities involving the financial assets under its control, as provided for in state law and in accordance with Board policy.

Chairman Doug Burgum, Governor

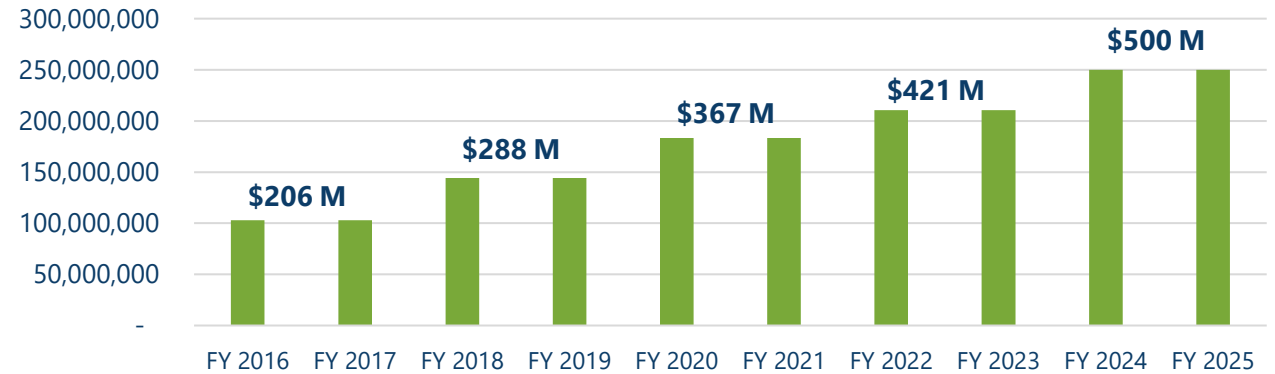
COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

CSTF ASSET BALANCE as of 11/30/2023 (unaudited)

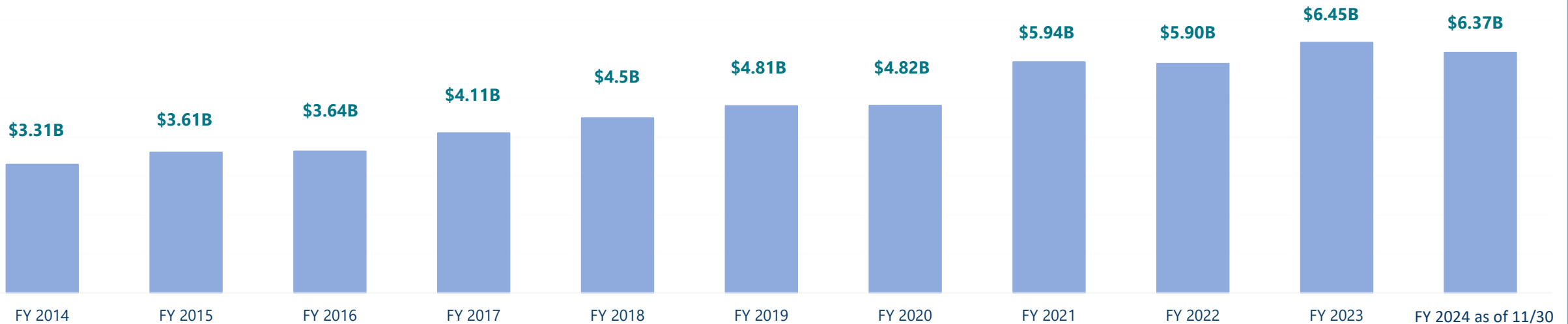
\$6,365,439,184

**+\$471 million from 11/30/22
balance of \$5.89 billion**

CSTF DISTRIBUTION HISTORY PER BIENNIUM

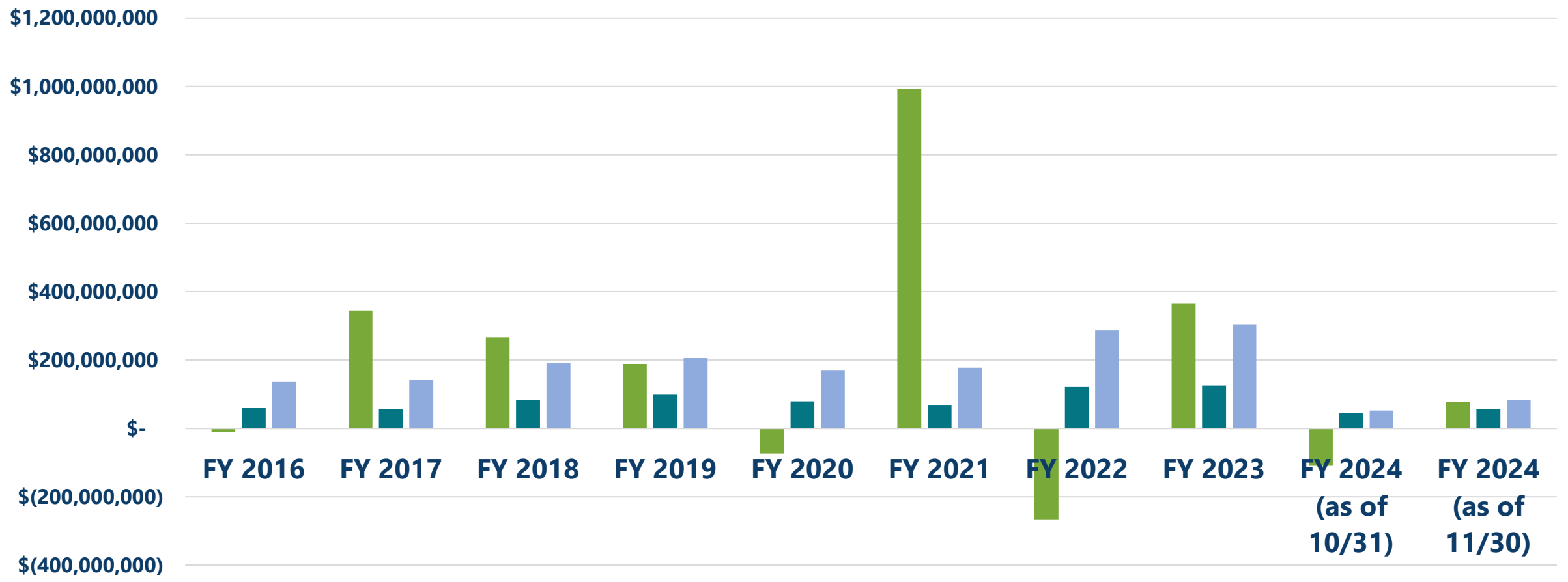


CSTF ASSET BALANCE HISTORY



COMMON SCHOOLS TRUST FUND (CSTF) OVERVIEW

COMMON SCHOOLS REVENUES



COMMON SCHOOLS TRUST FUND 2023-25 (CSTF) DISTRIBUTIONS

Monthly distribution to the State
Tuition Fund for the
2023-25 biennium

\$27,770,000

=\$2,160/student per year

Percentage of North Dakota's
\$10,389 total investment per
student covered by CSTF

21%

FYTD distribution to the
State Tuition Fund

\$193,970,000

CSTF Distributions Since FY 2014

\$1.61 BILLION

Supporting property tax relief for North Dakota citizens



STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) OVERVIEW

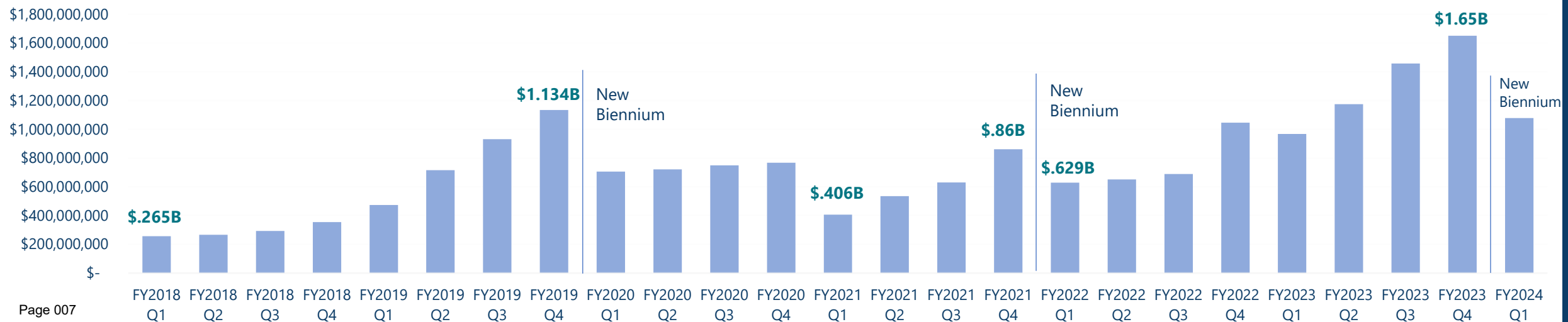
SIIF BALANCE as of 10/31/2023 (unaudited)

- Total Balance - \$940,295,358
- Uncommitted Balance – \$422,013,537

SIIF BALANCE as of 11/30/2023 (unaudited)

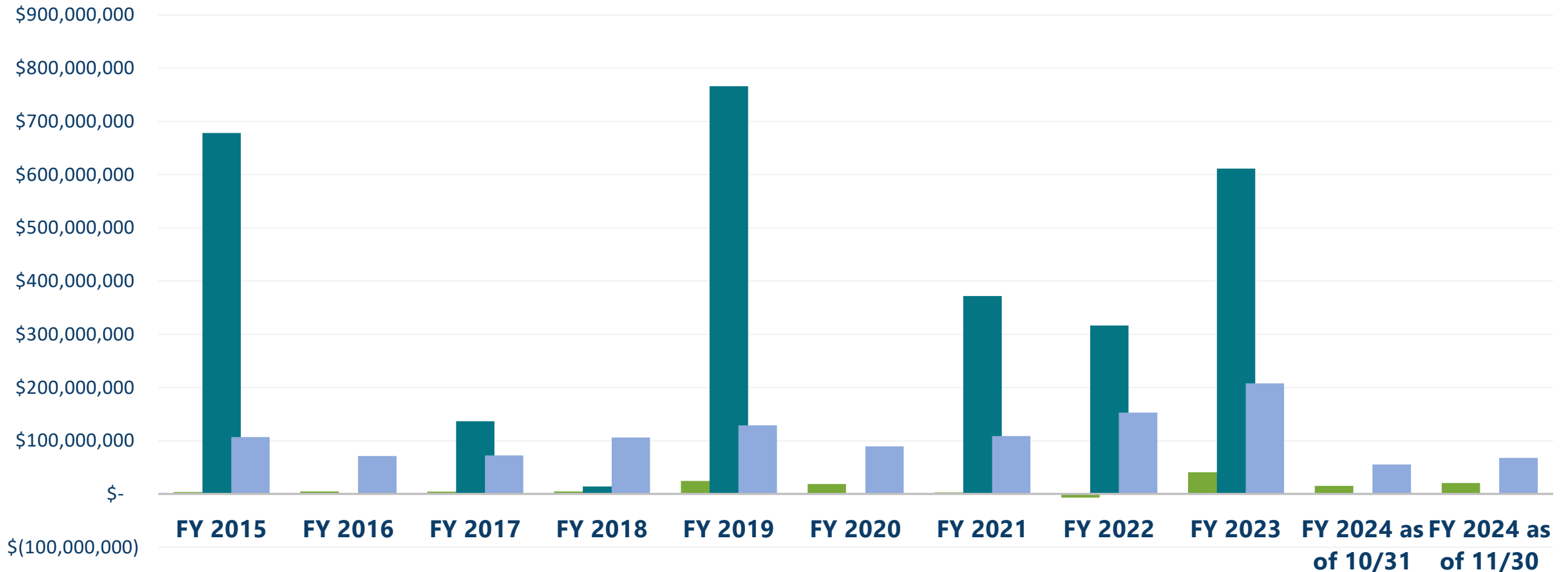
- Total Balance - \$919,736,002
- Uncommitted Balance – \$441,969,969

SIIF QUARTERLY BALANCE HISTORY (UNAUDITED)



STRATEGIC INVESTMENT & IMPROVEMENT FUND (SIIF) HIGHLIGHTS

SIIF REVENUES



ESTIMATED TOTAL NET ASSETS as of 11/30/2023

**Mineral Tracker Valuation
as of June 30, 2023 on
2.6 million Mineral Acres
\$2,568,614,367**



**Surface Fair Market Value
as of March 30, 2023 on
706,000 Surface Acres
\$518,077,274**



**Estimated Total Net Assets*
as of November 30, 2023**



\$9,943,510,742



* Total excluding SIIF



DEPARTMENT OF TRUST LANDS

Commissioner Review Process

TIMELINE – TRUST LAND COMMISSIONER REVIEW

March

- 360 surveys will be sent by HRMS to team members and Land Board members to collect input. Trust Lands Commissioner completes self evaluation.



April

- HRMS will compile data and deliver to the Land Board chair.
- Land Board review survey results at April meeting.



May

- Land Board conducts Trust Lands Commissioner performance review.
- Land board determine performance salary adjustment for Trust Lands Commissioner by 6/30.



July

- Trust Lands Commissioner performance salary adjustment goes into effect.

360 REVIEW – BOARD MEMBER SURVEY

Rating Scale

- Outstanding
- Exceeds Expectations
- Meets Expectations
- Needs Improvement
- Unacceptable
- Not applicable

360 REVIEW – BOARD MEMBER SURVEY

Category 1 - Board Meetings and Board Relations

- The Land Commissioner provides board materials that identify any items which need "Board Action" and also provides staff recommendations where appropriate. The Land Commissioner provides appropriate materials and information to the Land Board in a timely manner either in writing or verbally to aid in decision-making.
- The Land Commissioner provides information and education at board meetings in order for the Land Board to adequately perform their role.
- The Land Commissioner is responsive to requests from the Land Board, adapts to the Land Board's direction on policy, and works with the board as a team member.
- The Land Commissioner keeps the Land Board aware of current issues and, when appropriate, provides information between board meetings.
- The Land Commissioner provides timely and accurate problem identification to the Land Board as well as solutions and options for consideration.
- Please leave a comment which provides further explanation if you selected 1 - Outstanding or 5 - Unacceptable, or if you have any other feedback.

360 REVIEW – BOARD MEMBER SURVEY

Category 2 - Land Dept Operations & Cross-Agency Relations

- The Land Commissioner provides effective oversight of the Department's financial asset investments, including the sound administration of investment strategies, managers, and performances as evidenced by quarterly reports.
- Based on my observations at board meetings and other interactions, the Land Commissioner maintains high fiduciary standards.
- The Land Commissioner directs the timely preparation of the biennial budget as documented in the Land Department's quarterly monitoring reports, which includes, but is not limited to the following sub-categories:
 - Biennial budget is prepared pursuant to OMB guidelines and submitted pursuant to guidelines established by the Office of the Governor.
 - Does not reduce the level of service, or anticipate a reduction in the level of service, of any Land Department program without the prior approval of the Land Board.
 - Expenditures for items which require use of the Contingencies line item are not made without prior approval of the Land Board.
- The Land Commissioner provides effective oversight and management of the Department's surface and mineral acres.

360 REVIEW – BOARD MEMBER SURVEY

Category 2 - Land Dept Operations & Cross-Agency Relations

- The Land Commissioner provides effective oversight and management of the North Dakota's Unclaimed Property Program.
- Based on my observations at board meetings and other interactions, I believe the Land Commissioner fosters a work culture that is safe, fair, respectful, organized, and gives direction through the Department's goals and objectives.
- Based on my observations at board meetings and other interactions, I believe the Land Commissioner provides leadership, coaching and effective feedback to Land Department staff, recommending measures to improve performance and increase efficiency.
- Based on my observations at board meetings and other interactions, I believe the Land Commissioner maintains and continues to develop positive working relationships across various agency units and levels.
- Please leave a comment which provides further explanation if you selected 1 - Outstanding or 5 - Unacceptable, or if you have any other feedback.

360 REVIEW – BOARD MEMBER SURVEY

Category 3 - Public/Legislative Relations

- The Land Commissioner provides necessary information through regular effective communications and timely programs to various stakeholders.
- The Land Commissioner represents the objectives of the Land Department to various stakeholders, constituencies, political subdivisions, and the state legislature in an effective and knowledgeable manner.
- The Land Commissioner develops legislative proposals in concert with the Land Board and represents the board in communications and presentations to the legislature.
- The Land Commissioner has developed a rapport with legislators to ensure the credible recognition and representation of the Land Board.
- Please leave a comment which provides further explanation if you selected 1 - Outstanding or 5 - Unacceptable, or if you have any other feedback.

360 REVIEW – BOARD MEMBER SURVEY

Category 4 - Professional Skills and Development

- The Land Commissioner provides visionary and strategic leadership to the Land Board.
- The Land Commissioner exhibits a positive and results-oriented style with a predisposition to building consensus and goal achievement through collaboration by exhibiting courtesy and respect in all interactions.
- The Land Commissioner demonstrates the ability to dissect highly complex issues and effectively develop and communicate a corresponding plan of action.
- Based on my observations at board meetings and other interactions, the Land Commissioner adheres to all material laws, rules, policies, procedures, and professional ethics.
- Please leave a comment which provides further explanation if you selected 1 - Outstanding or 5 - Unacceptable, or if you have any other feedback.

360 REVIEW – BOARD MEMBER SURVEY

Category 5 - General Feedback

- Overall, how satisfied are you with the job being done by the Land Commissioner? What has the Land Commissioner done well? What could be done to improve your overall satisfaction with the job being done by the Land Commissioner?

360 REVIEW – TEAM MEMBER SURVEY

Rating Scale

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

360 REVIEW – TEAM MEMBER SURVEY

Category 1 - Leadership

- The Land Commissioner provides a clear sense of purpose and direction, roles and responsibilities, for me and our team as a whole.
- Employees have confidence in the Land Commissioner.
- The Land Commissioner demonstrates integrity and sets an example for others to follow.
- Please include comments if you have additional feedback regarding the effectiveness of the Land Commissioner's leadership with employees and the organization.

Category 2 - Communication

- The Land Commissioner takes time to understand other perspectives and is open to changing their position.
- The Land Commissioner keeps employees informed about what is occurring throughout the organization, when appropriate.
- Information and knowledge are shared openly within the organization.
- Please include comments if you have additional feedback regarding the effectiveness of the Land Commissioner's communication with employees and the organization.

360 REVIEW – TEAM MEMBER SURVEY

Category 3 – Valuing Team Members

- The Land Commissioner seeks input from team members, as appropriate.
- The Land Commissioner shows genuine concern for team members.
- The Land Commissioner treats employees with respect and fairness.
- Please include comments if you have additional feedback regarding the effectiveness of the Land Commissioner in valuing employees of the organization.

Category 4 – General Feedback

- Overall, how satisfied are you with the job being performed by the Land Commissioner? What has the Land Commissioner done well?
- What could be done to improve your overall satisfaction with the job being performed by the Land Commissioner?

DRAFT POLICY LANGUAGE

The Land Board will conduct a formal evaluation of the Trust Lands Commissioner and assess their performance during the first half of each calendar year through surveys. This evaluation will be used to make an annual performance compensation recommendation for the Trust Lands Commissioner, which will be reviewed and approved by the Land Board by June 30th each year.

RECOMMENDATION

- 1) Approve first reading of draft policy language
- 2) Second reading with incorporation into Board Policy Manual at March 2024 Land Board meeting
- 3) Committee will continue its work with next report at March 2024 Land Board meeting

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

SURFACE DIVISION

Encumbrances issued by Commissioner during January 2024: 6 Right of Way Agreements generating \$30,390 in income for the Trusts.

Native Prairie Cordgrass in the Sunset on Trust Lands
Dunn County 145-95-16 taken on February 5, 2024. Photo Credit: Garret Hecker

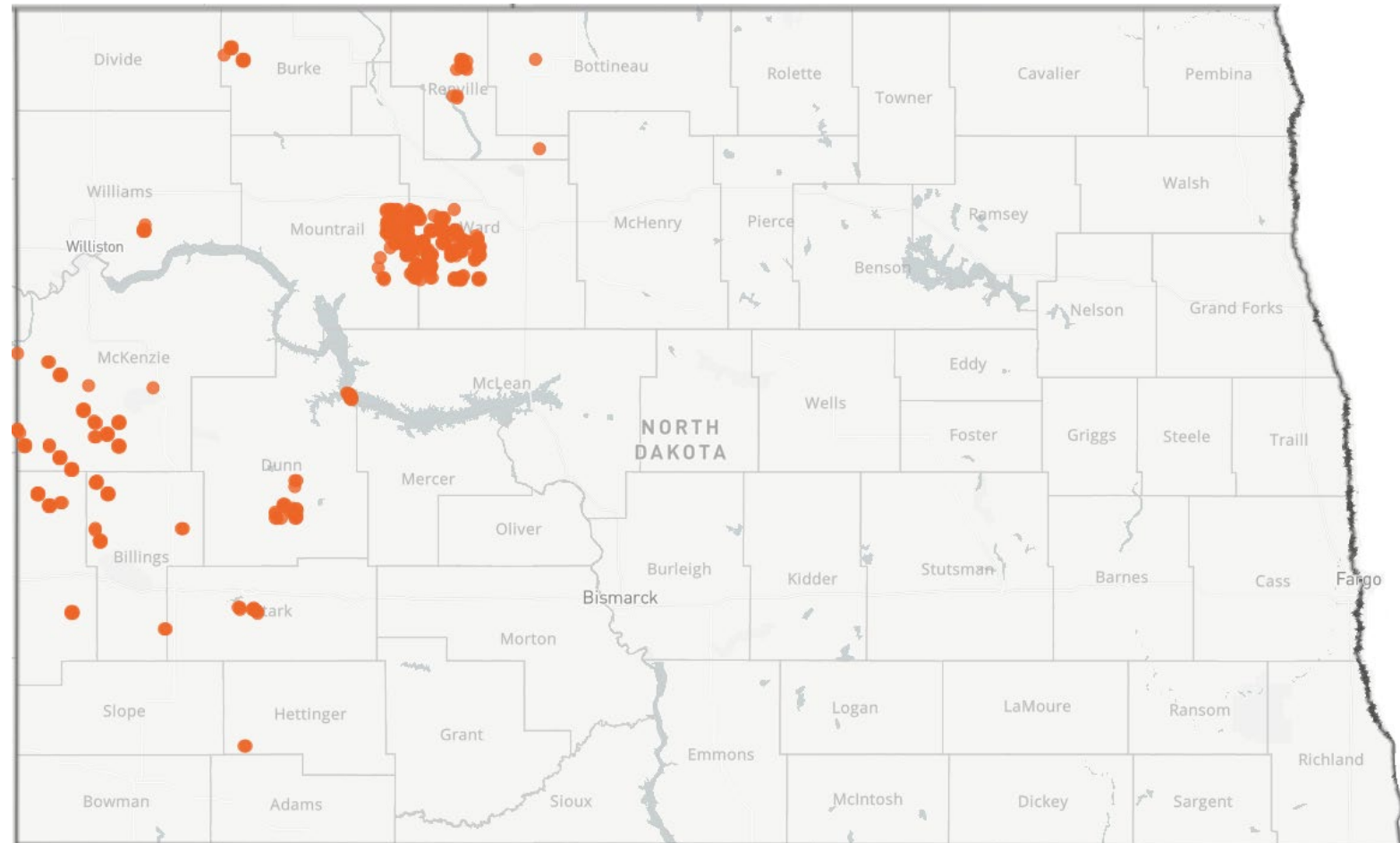


OIL & GAS LEASE AUCTION RESULTS SUMMARY

2024 Q1 (February) Online Oil & Gas Lease Auction

Bidding Snapshots

Total tracts	375
Total acres	33,674.48
Total tracts receiving bids	364
Total registered bidders	52
Total bidders who placed bid	33
Average unique bidders on tract with bid	1.61
Total bids	1354
High bid per tract	\$1,160,160
High bid per acre	\$14,502
Total bonus received	\$6,957,468



OIL & GAS LEASE AUCTION RESULTS SUMMARY CONTINUED

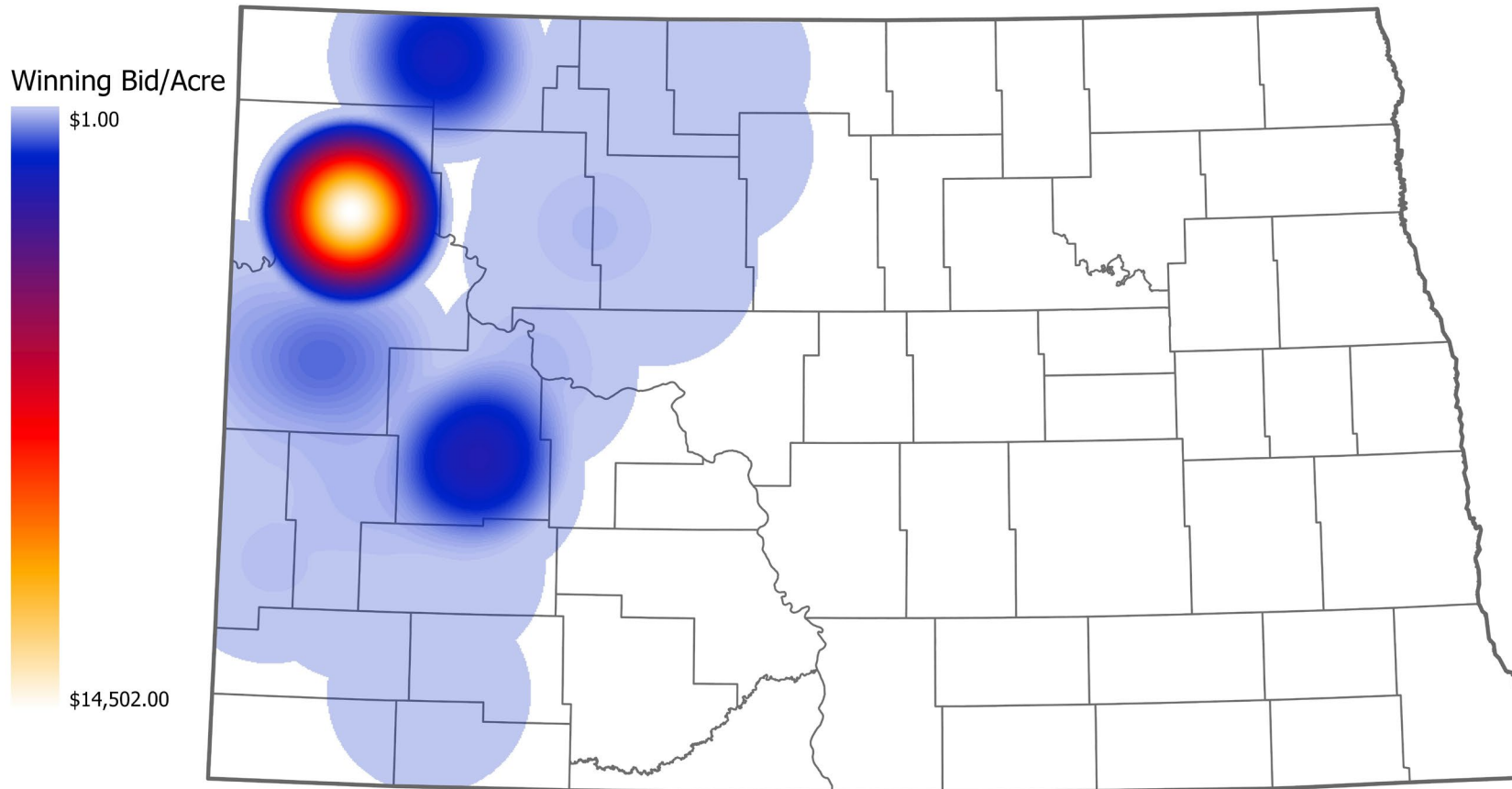
2024 Q1 (February) Online Oil & Gas Lease Auction

Trust/Fund	Trust/Fund Name	# Tracts	Total Bonus
A	Common Schools	211.84	\$6,071,565
D	School for the Deaf	1	\$152
E	Ellendale State College	2	\$2,240
H	State Hospital	1	\$3,600
I	Youth Correctional Center	3	\$160
L, R	SIIF (Strategic Investment & Improvements Fund)	147.66	\$444,098
N	NDSU	3	\$878
S	Veteran's Home	1	\$404,480
W	State College of Science	1.5	\$240
Y	Mayville State University	2	\$27,815
Z	Valley City and Mayville State Universities	1	\$2,240
	TOTAL	375	\$6,957,468

County	# Tracts	Net Min Acres	Total Bonus	Average Bonus/Net Acre
Billings	18	2,168.08	\$49,207	\$23
Bottineau	1	80.00	\$1,920	\$24
Burke	9	1,120.00	\$918,240	\$820
Dunn	29	2,842.82	\$866,566	\$305
Golden Valley	14	2,080.00	\$66,000	\$32
Hettinger	2	160.00	\$5,840	\$37
McKenzie	47	6,470.01	\$408,893	\$63
McLean	3	317.08	\$10,110	\$32
Mountrail	66	5,154.15	\$24,510	\$5
Renville	15	1,197.88	\$22,398	\$19
Stark	10	486.21	\$2,904	\$6
Ward	156	11,238.25	\$28,640	\$3
Williams	5	360.00	\$4,552,240	\$12,645
TOTAL	375	33,674.48	\$6,957,468	\$207

AUCTION ACTIVITY BASED ON BONUS PAID

The higher bids were received in the established areas of the Bakken and the emerging 1920 spacing unit areas.

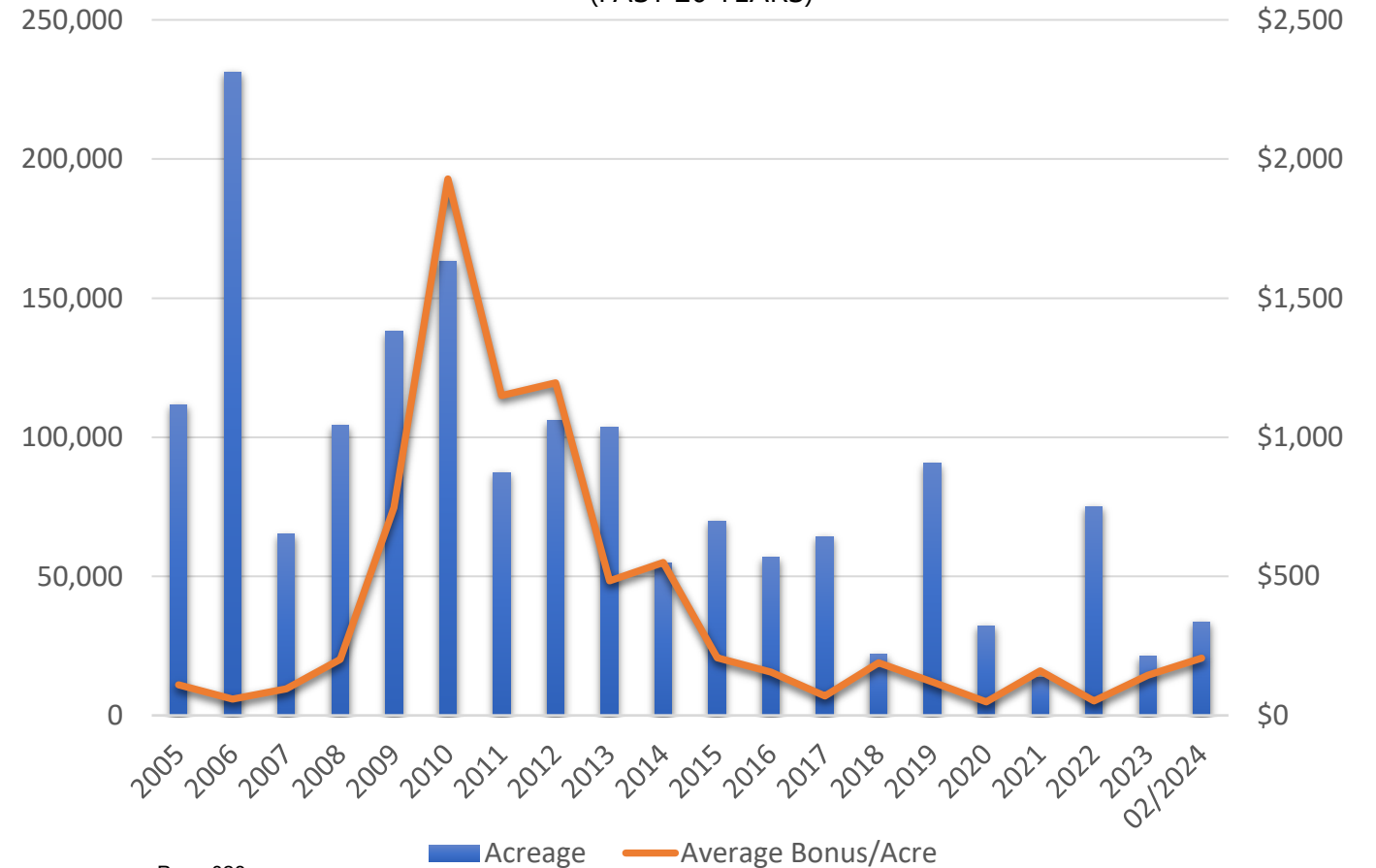


HISTORICAL AUCTION RESULTS

Year	# Tracts	Acreage	Bonus	Average Bonus/Ac
2005	1,350	111,808.20	\$12,309,350	\$110
2006	2,886	231,264.52	\$13,576,948	\$59
2007	829	65,134.94	\$6,211,341	\$95
2008	1,213	104,235.20	\$20,991,009	\$201
2009	1,735	138,109.87	\$103,212,376	\$747
2010	2,083	163,367.37	\$315,126,366	\$1,929
2011	1,132	87,432.04	\$100,553,812	\$1,150
2012	1,236	106,013.08	\$126,785,716	\$1,196
2013	1,267	103,586.18	\$50,109,864	\$484
2014	635	54,693.19	\$30,057,524	\$550
2015	779	69,987.56	\$14,522,818	\$208
2016	684	56,889.36	\$8,862,765	\$156
2017	720	64,291.10	\$4,496,748	\$70
2018	241	21,865.22	\$4,130,246	\$189
2019	1,065	90,698.40	\$10,876,517	\$120
2020	329	32,219.90	\$1,576,562	\$49
2021	151	13,525.98	\$2,175,580	\$161
2022	1,008	75,119.39	\$3,942,573	\$52
2023	207	21,268.01	\$3,090,459	\$145
Feb-24	375	33,674.48	\$6,957,468	\$207
TOTALS	19,925	1,645,183.99	\$839,566,041	\$510

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED BY YEAR

(PAST 20 YEARS)

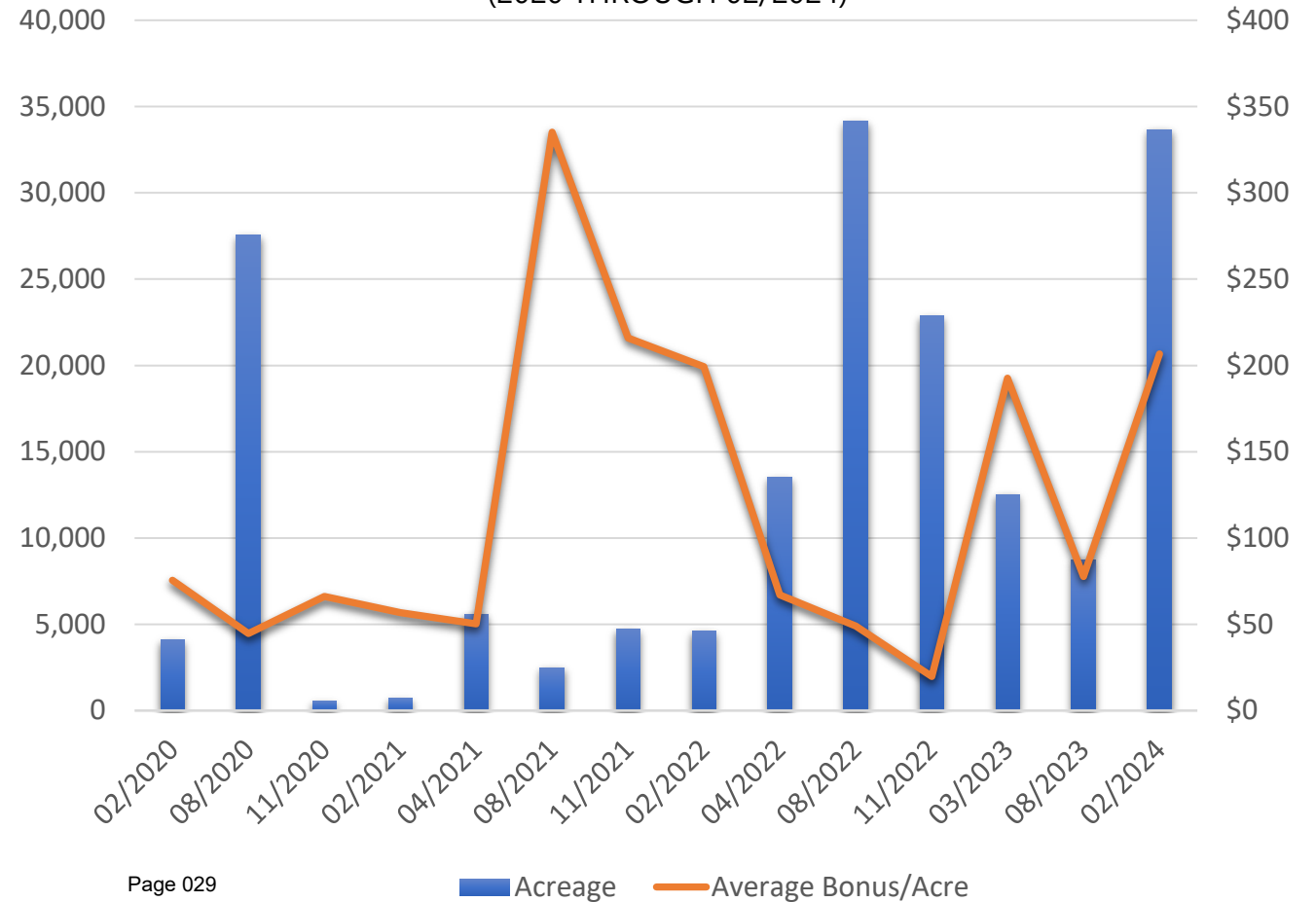


HISTORICAL AUCTION RESULTS CONTINUED

Auction	# Tracts	Acreage	Bonus	Average Bonus/Ac
Feb-20	36	4089.36	\$308,874	\$76
Aug-20	288	27,572.15	\$1,230,770	\$45
Nov-20	5	558.39	\$36,918	\$66
Feb-21	6	719.02	\$40,753	\$57
May-21	63	5592.27	\$281,476	\$50
Aug-21	23	2481.29	\$831,535	\$335
Nov-21	59	4733.4	\$1,021,816	\$216
Feb-22	57	4596.24	\$916,142	\$199
May-22	177	13,492.13	\$904,094	\$67
Aug-22	459	34,147.30	\$1,670,404	\$49
Nov-22	315	22,883.72	\$451,933	\$20
Mar-23	129	12,526.05	\$2,411,705	\$193
Aug-23	78	8741.96	\$678,754	\$78
Feb-24	375	33,674.48	\$6,957,468	\$207
TOTALS	2070	175,807.76	\$17,742,643	\$101

ACREAGE LEASED & AVERAGE BONUS/ACRE RECEIVED BY AUCTION

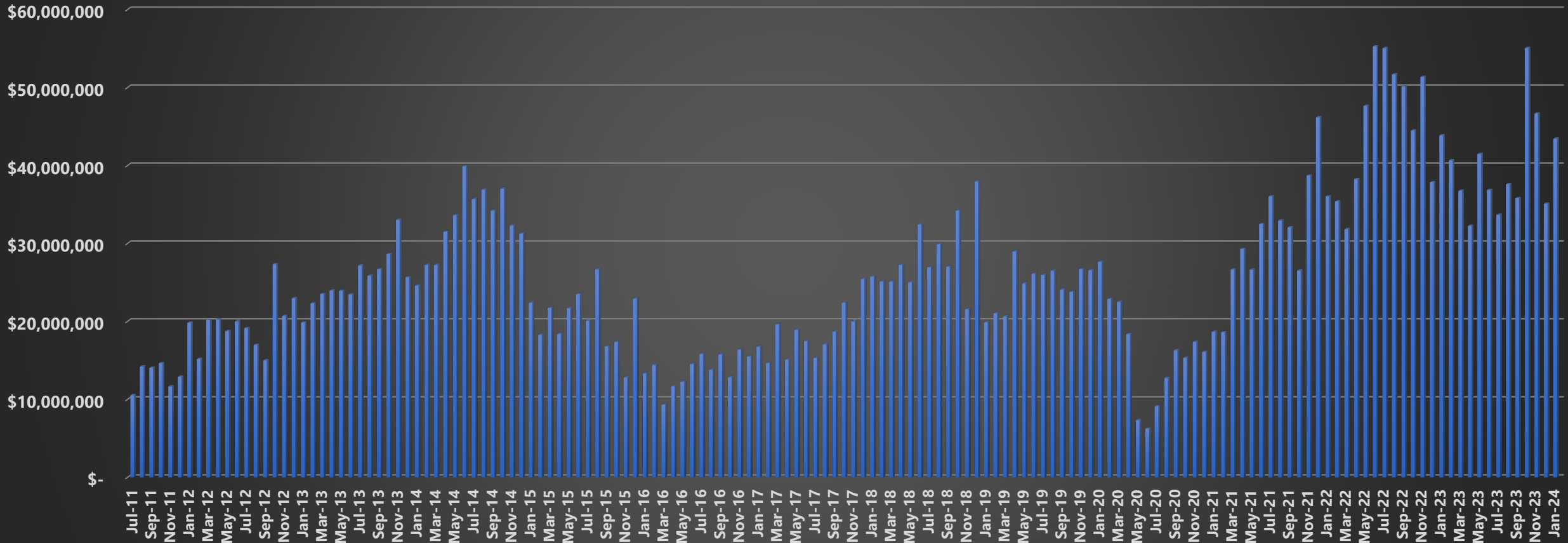
(2020 THROUGH 02/2024)



MINERALS DIVISION FISCAL YTD O/G ROYALTIES

As of January 31, 2024*, for fiscal year 2023-24 the Department has received **\$287,331,655** in royalties as compared to **\$375,132,321** last fiscal year at this time.

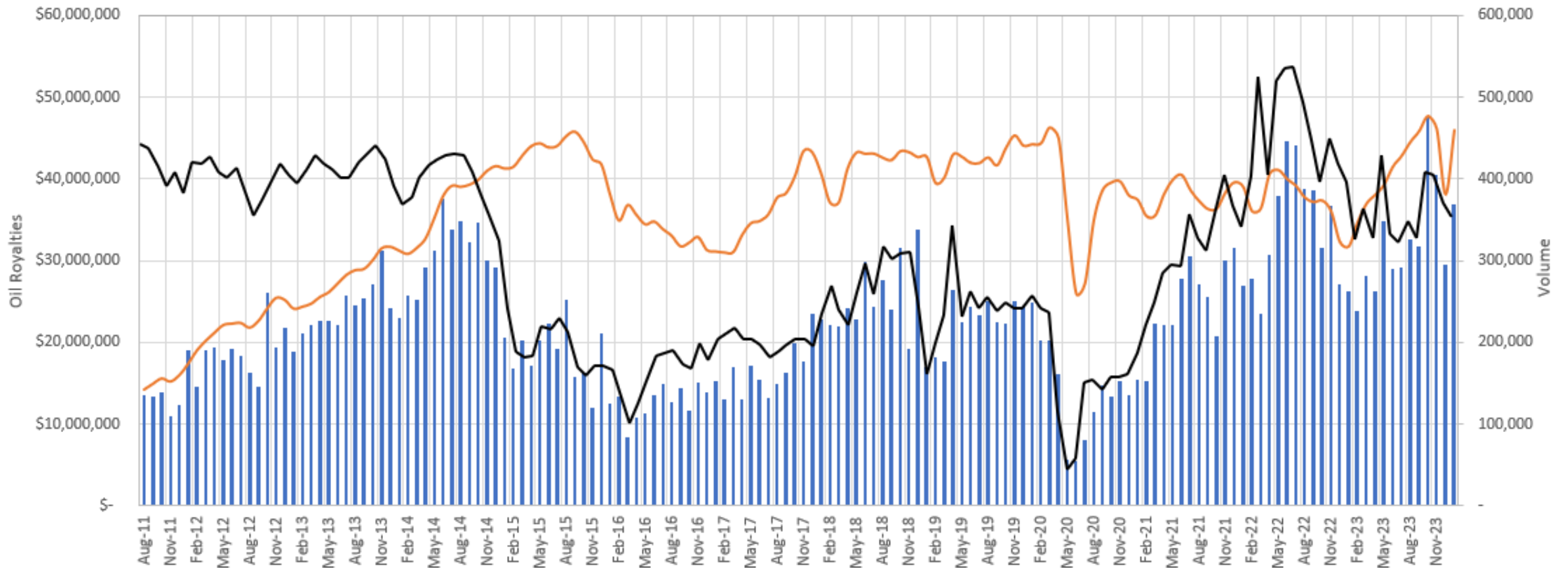
ROYALTIES - CASH COLLECTED



*January royalty revenue is from November gas production and December oil production.

PRICE MAIN DRIVER OF O/G ROYALTIES

In the early years production growth was the driver of the Department's royalty increases. Now that our net monthly production has been more stable, averaging around 450,000 barrels per month this biennium, the price of oil & gas is the main driver of monthly royalty variations.



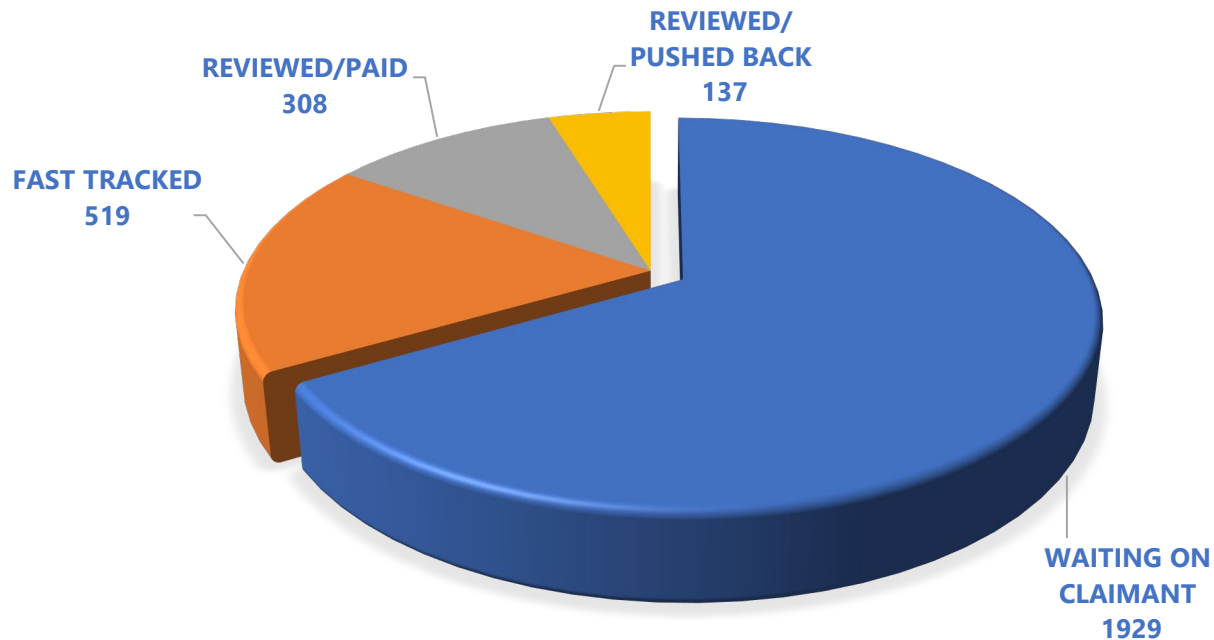
UNCLAIMED PROPERTY DIVISION

<https://unclaimedproperty.nd.gov>

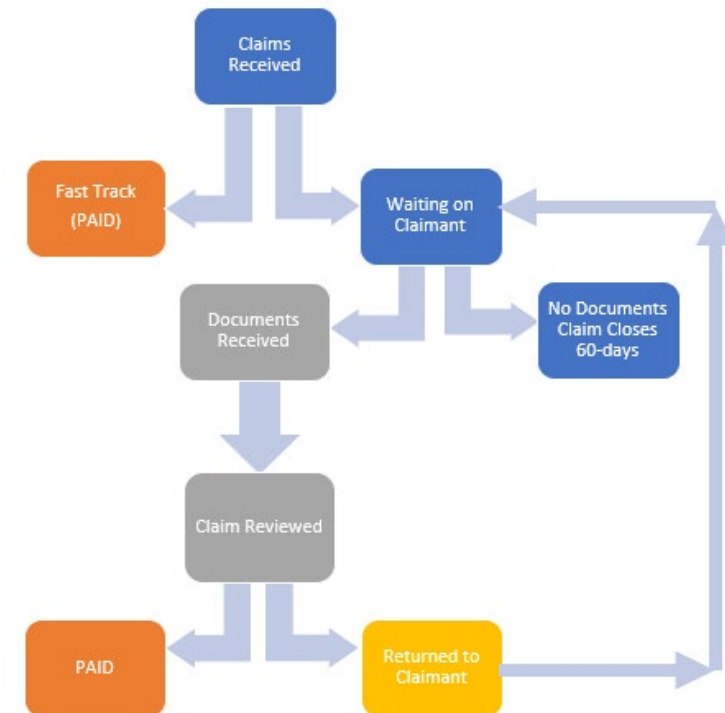
For the month of January 2024, the Division paid 827 claims with \$580,709.34 returned to rightful owners/heirs.

The Division also received 28 holder reports with a dollar value of \$25,581.01.

CLAIMS WORKLOAD JANUARY 2024 TOTAL RECEIVED - 2,893



CLAIMS LIFECYCLE



**RE: Investment Updates
(No Action Requested)**

Q1-Q2 Pipeline

Public Credit: core fixed income recommendation

Absolute Return: multi-strat hedge fund recommendation

Infrastructure: infrastructure recommendation

Capital Calls Funded (as of January 31, 2024):

2023 YTD \$80M

2024 Q1 \$8M

Total Unfunded Commitments Remaining \$454M (as of January 31, 2024):

1. Private Credit, \$76M
 - i. *Ares Pathfinder Fund, \$21M*
 - ii. *Owl Rock Diversified Lending, \$55M*

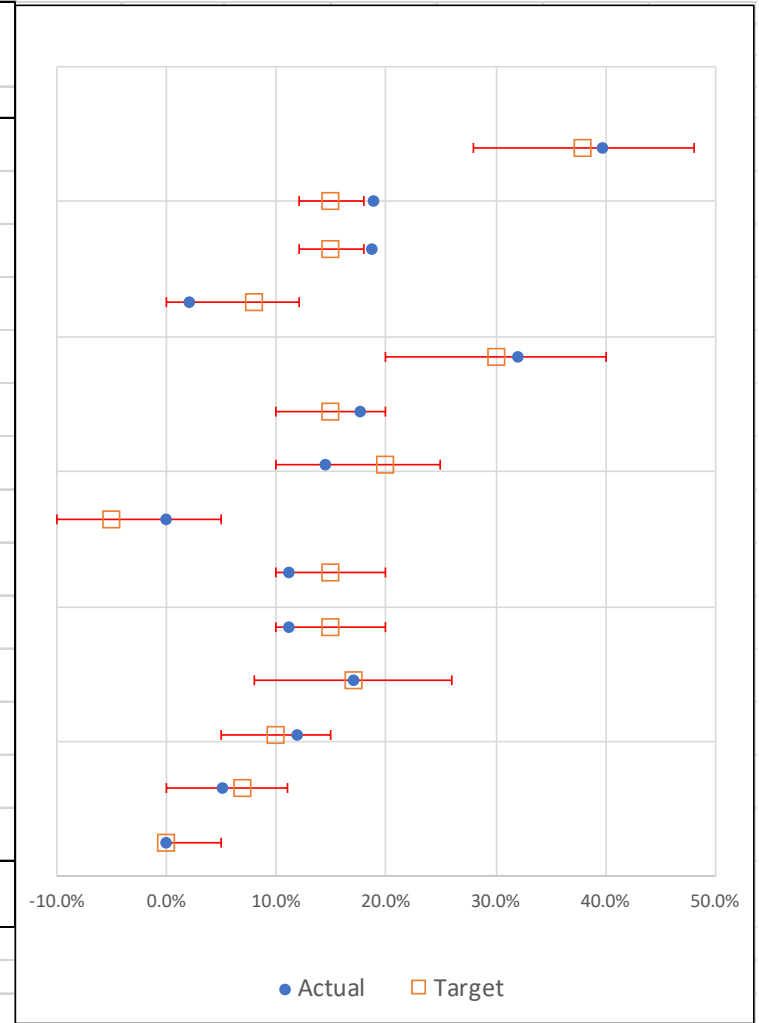
2. Private Equity, \$222M
 - i. *GCM Grosvenor Private Equity, \$82M*
 - ii. *GCM Grosvenor Secondary Opportunities Fund III, \$98M*
 - iii. *Morgan Stanley Ashbridge TS Fund II, \$10M*
 - iv. *Khosla Ventures, \$32M*

3. Real Assets, \$5M
 - i. *Hamilton Lane Infrastructure Opportunities Fund, \$5M*

4. Absolute Return, \$150M
 - i. *Millennium USA, \$150M*

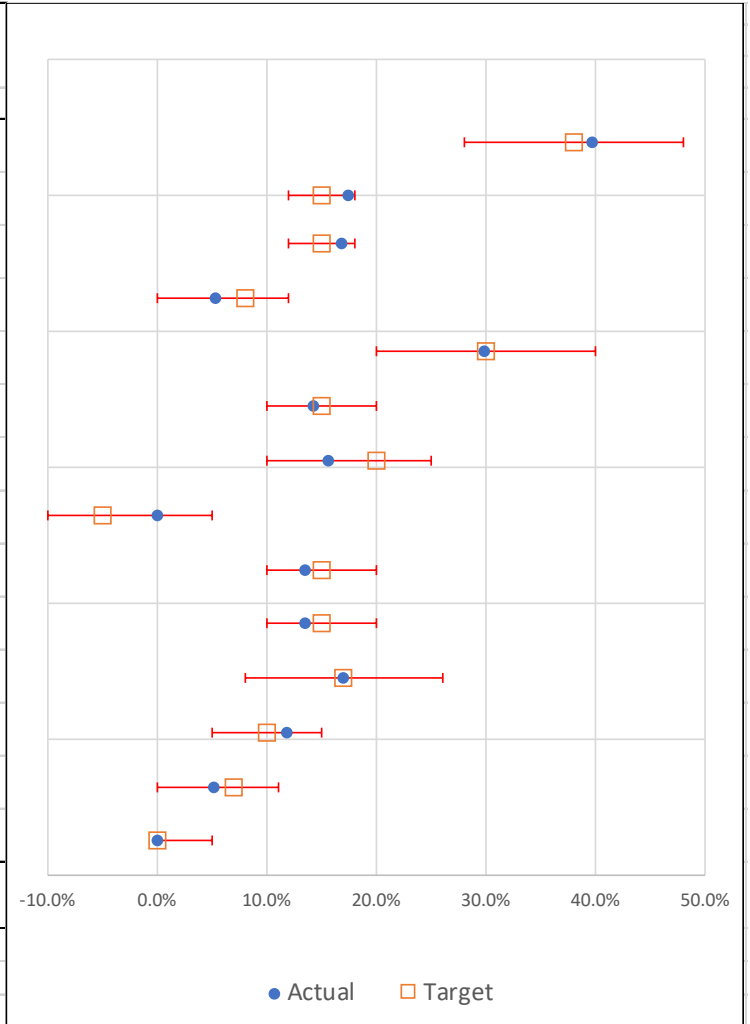
Current Asset Allocation (unaudited)

As of January 31, 2024	Market Value \$	Actual	Target	Lower Range	Upper Range
		●	□	└	┘
Equity	2,661,009,753	39.7%	38.0%	28.0%	48.0%
<i>Broad US Equity</i>	1,267,631,830	18.9%	15.0%	12.0%	18.0%
<i>Broad Int'l Equity</i>	1,255,378,976	18.7%	15.0%	12.0%	18.0%
<i>Private Equity</i>	137,998,948	2.1%	8.0%	0.0%	12.0%
Fixed Income	2,147,536,748	32.0%	30.0%	20.0%	40.0%
<i>Public Credit</i>	1,180,104,143	17.6%	15.0%	10.0%	20.0%
<i>Private Credit</i>	967,432,606	14.4%	20.0%	10.0%	25.0%
<i>Cash / (Implied Leverage)</i>	-	0.0%	-5.0%	-10.0%	5.0%
Absolute Return	751,898,936	11.2%	15.0%	10.0%	20.0%
<i>Multi-Strategy Hedge Fund</i>	751,898,936	11.2%	15.0%	10.0%	20.0%
Real Assets	1,140,481,160	17.0%	17.0%	8.0%	26.0%
<i>Real Estate</i>	795,382,104	11.9%	10.0%	5.0%	15.0%
<i>Private Infrastructure</i>	345,099,056	5.2%	7.0%	0.0%	11.0%
Opportunistic Investments	-	0.0%	0.0%	0.0%	5.0%
Portfolio Total	6,700,926,598	100.0%			



Hypothetical Asset Allocation (after funding all commitments)

As of January 31, 2024	Market Value \$	Actual	Target	Lower Range	Upper Range
		●	□	└	┘
Equity	2,661,009,753	39.7%	38.0%	28.0%	48.0%
<i>Broad US Equity</i>	1,169,631,830	17.5%	15.0%	12.0%	18.0%
<i>Broad Int'l Equity</i>	1,131,378,976	16.9%	15.0%	12.0%	18.0%
<i>Private Equity</i>	359,998,948	5.4%	8.0%	0.0%	12.0%
Fixed Income	1,997,536,748	29.8%	30.0%	20.0%	40.0%
<i>Public Credit</i>	954,104,143	14.2%	15.0%	10.0%	20.0%
<i>Private Credit</i>	1,043,432,606	15.6%	20.0%	10.0%	25.0%
<i>Cash / (Implied Leverage)</i>	-	0.0%	-5.0%	-10.0%	5.0%
Absolute Return	901,898,936	13.5%	15.0%	10.0%	20.0%
<i>Multi-Strategy Hedge Fund</i>	901,898,936	13.5%	15.0%	10.0%	20.0%
Real Assets	1,140,481,160	17.0%	17.0%	8.0%	26.0%
<i>Real Estate</i>	790,382,104	11.8%	10.0%	5.0%	15.0%
<i>Private Infrastructure</i>	350,099,056	5.2%	7.0%	0.0%	11.0%
Opportunistic Investments	-	0.0%	0.0%	0.0%	5.0%
Portfolio Total	6,700,926,598	100.0%			



Assumptions: No other new cash is expected to fund calls. No redemption proceeds or distributions were received. All capital calls came in at the same time.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
 February 29, 2024

RE: Private Equity – Venture Capital

Last month, RVK presented the Private Equity Pacing Analysis, which recommends \$150M per year in private equity commitments to reach our 8% target allocation by 2030. The pacing plan promotes vintage year diversification and smooth cash flow management. The goal of this proposal is to increase the private equity commitment, consistent with the pacing plan and strategic asset allocation targets.

Staff recommends complementing the venture capital portfolio with additional seed-stage exposure through a seed fund of funds. There are generally three stages in venture capital: seed, venture (series A-B) and late stage (series C-D). Seed investing is considered the holy grail as the earliest investors are rewarded with the highest returns. As such, seed allocations are difficult to come by as investors clamor over capacity-constrained seed funds at elite venture firms.

High-returning seed stage investments don't come without a high level of risk. One way to mitigate that risk is through the diversification of a fund of funds. The power law of venture capital investing says a small number of investments drive most of the returns in a portfolio. Adding more names to the portfolio increases probabilities of having exposure to a unicorn company that can drive asymmetric upside returns.

Staff and RVK recommend a commitment to Industry Ventures Partnership Holdings (IVPH) VII. Industry Ventures was founded by Hans Swildens who launched the inaugural VC secondaries fund in 2002 and since then has realized over \$4B across 400+ company investments and 600+ fund investments. In 2009, Roland Reynolds teamed up with Hans to form IVPH and together they have raised over \$1.4B in commitments in the strategy.

IVPH takes a diversified approach by allocating to the following targets which provide exposure to ~1,500 underlying portfolio companies.
 40% primary fund commitments to seed / early-stage (~40 funds with ~1,200 underlying companies)
 40% direct investments to mid-stage companies (~60 companies)
 20% early secondary LP interests (~10 funds with ~300 underlying companies)

Recommendation: The Board approve \$50M commitment to Industry Ventures Partnership Holdings VII, subject to standard legal review/documentation.

- Attachment 1: RVK Executive Summary
- Attachment 2: Industry Ventures Presentation

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

Industry Ventures Partnership Holdings VII, LP

EXECUTIVE SUMMARY OF THE INVESTMENT OPPORTUNITY

FIRM & FUND SUMMARY

Industry Ventures (“the Firm”) is an American investment firm specializing in investing across the venture capital and tech ecosystem; the Firm was established in 2000. Headquartered in San Francisco, the Firm also operates from offices in Washington D.C. and London, England. Industry Ventures is SEC registered. With a team of 40 professionals, the Firm maintains relationships with leading venture capital firms, company management teams, and technology entrepreneurs. Managing over \$7 billion in assets as of September 30, 2023, the Firm operates four investment strategies: the Partnership Holdings hybrid direct / fund of funds, a series of direct co-investment fund, a series of secondary funds, and a series of small market tech buyout funds. Industry Ventures prioritizes delivering consistent performance, strong risk-adjusted returns, and capital preservation. The investment team of the Partnership Holdings strategy is led by Chief Executive Officer Hans Swildens, Senior Managing Director Roland Reynolds, and Managing Director Jonathan Roosevelt. These individuals are supplemented by two principals and a larger group of associates and analysts.

Industry Ventures is raising Industry Ventures Partnership Holdings VII (“Fund VII”, “Partnership Holdings VII”, or “the Fund”) and intends to follow the investment strategy of prior funds. Partnership Holdings is a hybrid strategy that makes both direct company and fund investments, using the Fund’s seed stage fund investments to create an information advantage that allows the Fund to target direct investments in the most attractive companies within the fund investment portfolio. This self-reinforcing investment strategy is supplemented by a small allocation to early secondaries, which are expected to contribute to the Fund’s information advantage and strong early return profile. The strategy will continue to focus on small and early stage venture capital funds, the inclusion of early-growth companies obtained through early secondary purchases, direct investments, and pro-rata special purpose vehicles (“SPVs”), aiming to expedite the time to liquidity and minimize the J-curve.

INVESTMENT RECOMMENDATION

RVK, Inc. recommends that North Dakota Board of University and School Lands invest \$50 million in Partnership Holdings VII as the Fund represents an attractive opportunity to access seed and early stage venture capital companies through early secondary purchases, direct investments, and fund investments. The Fund is led by a senior investment team with investing experience through multiple market cycles. Since inception, Industry Ventures Partnership Holdings has leveraged their industry experience and strong investment teams to produce attractive returns, consistent with direct venture capital investments, with significantly lower risk due to the more diversified nature of the Fund’s hybrid strategy. RVK expects the structural and information advantages generated by the Fund’s strategy to continue.

RVK recommends clients invest in this strategy due to the expected ability of the Fund to contribute to private equity outperformance relative to public markets. Industry Ventures Partnership Holdings has access to Industry Ventures' resources, relationships, and expertise which RVK believes affords it a sustainable advantage in venture capital investing. Relative to other venture capital fund of funds alternatives, RVK believes Industry Ventures' unique hybrid strategy, focus on seed and early stage fund investments, and modest secondary allocation should provide a more consistent, more attractive risk-adjusted return profile.

In the context of this recommendation, it is important to consider the risks inherent to private investments, equity investments in general, and the risks associated with this specific investment in Industry Ventures Partnership Holdings VII. Specific risks of an investment in Industry Ventures Partnership Holdings include considerations detailed in RVK's full report.

PORTFOLIO CONTEXT

Industry Ventures Partnership Holdings will provide exposure to early and seed stage venture capital investments, through fund investments, direct company investments, and early secondaries. These segments of the venture capital industry offer investors the lowest cyclicity and have historically been the least dependent on elevated initial public offering ("IPO") and pre-IPO rounds to provide outsize returns. Since Industry Ventures Partnership Holdings VII is a hybrid fund, Industry Ventures Partnership Holdings is well suited to complement other direct venture capital funds, providing additional diversification and complimentary exposure to mid- and growth stage venture capital investments.



Industry Ventures Partnership Holdings VII, L.P.

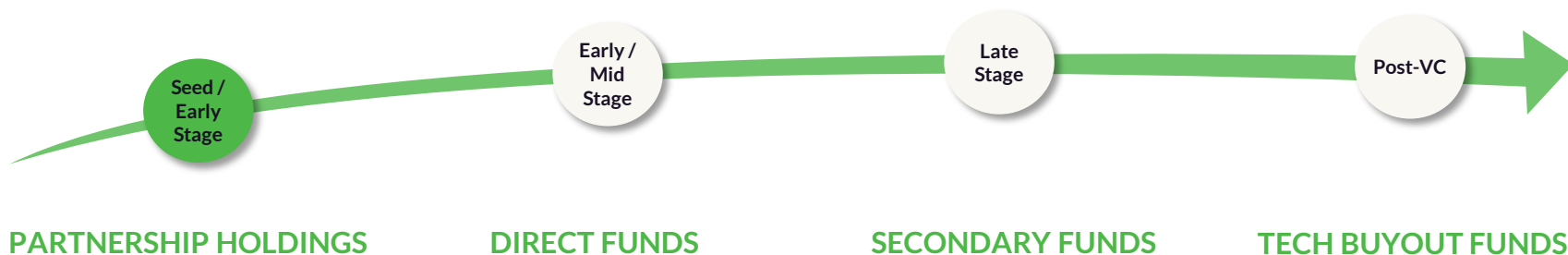
Early-Stage Venture Capital Hybrid Fund Strategy

North Dakota Trust Lands

February 29, 2024



Firm History



All figures are unaudited and estimated as of 9/30/2023. Past performance is not indicative of future results. Return figures are considered hypothetical. Please see Disclosures for more information.

1. As of 06/30/2023 net of fees, expenses and carried interest paid to the general partner entity of each respective fund.

2. DPI is on an aggregate basis including all current and prior Industry Ventures Funds.

3. Realized investments are defined as those in which over half of the invested cost has been realized [Realized Proceeds > (0.5 * Total Invested)].

4. Gross figures calculated without deduction of Industry Ventures' management fees, expenses and carried interest. An investment in Industry Ventures' funds will be subject to Industry Ventures' management fees, expenses and carried interest. Please refer to "Track Record" in the appendix for Industry Ventures fund level net performance.

5. The net realized multiple and net unrealized multiple are calculated by taking the difference between the total net multiple and total gross multiple and multiplying that by the gross realized multiple and gross unrealized multiple. The net realized IRR and net unrealized IRR are calculated by taking the difference between the total net IRR and total gross IRR and multiplying that by the gross realized IRR and gross unrealized IRR.

Please see detailed track record information and a full list of funds for each strategy.

Investment Team

Seasoned Senior Team with Complementary Entrepreneurial and Investing Experience



HANS SWILDENS
 Founder & CEO (24 | 28)
 Columbia MBA | UCSB



JUSTIN BURDEN
 Sr. Managing Director (20 | 25)
 LSE MSC | UC Berkeley
 Secondary Funds/Tech Buyout



ROLAND REYNOLDS
 Sr. Managing Director (14 | 23)
 Harvard MBA | Princeton
 Early-Stage Funds



AMIR MALAYERLY
 Managing Director (8 | 12)
 Harvard MBA | Stanford
 Secondary Funds



JONATHAN ROOSEVELT
 Managing Director (7 | 21)
 Harvard MBA | Harvard
 Early-Stage Funds



LINDSAY SHARMA
 Managing Director (9 | 16)
 Harvard MBA | Indiana University
 Tech Buyout



IRA SIMKHOVITCH
 Managing Director (9 | 14)
 Columbia MBA | MIT
 Secondary Funds



BRIAN LANGNER
 Principal (10 | 12)
 Berkeley-Haas MBA | UCSB
 Early-Stage Funds



FANNI FAN
 Principal (6 | 8)
 MIT MSC
 Early-Stage Funds



JONATHAN WONG
 Principal (2 | 8)
 Yale MBA | NYU
 Tech Buyout



KEMPER AHL
 Principal, Head of
 Business Development (6 | 9)
 Davidson College
 Secondary Funds/Tech Buyout



JUSTINE HUANG
 Principal (5 | 7)
 Wharton MBA | UC Berkeley
 Secondary Funds



EDDIE MEYERCORD
 Vice President (3 | 3)
 Vanderbilt University



JONATHAN TING
 Vice President (1 | 5)
 Purdue University



STEPHEN CASILLAS
 Senior Associate (2 | 2)
 Indiana University



THERESA STARNES
 Senior Associate (2 | 2)
 Cornell University



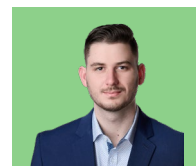
WADE COBB
 Business Development
 Associate (2 | 4)
 Providence College



EVAN GANCEDO
 Associate (1 | 2)
 Williams College



MARK WURZWILER
 Associate (1 | 2)
 Union College



CHASE BARLOW
 Associate (2 | 3)
 James Madison
 University



BEN BERMAN
 Business Development
 Associate (1 | 2)
 Tulane University



TIAN SHI
 Analyst (1 | 1)
 Georgetown
 University



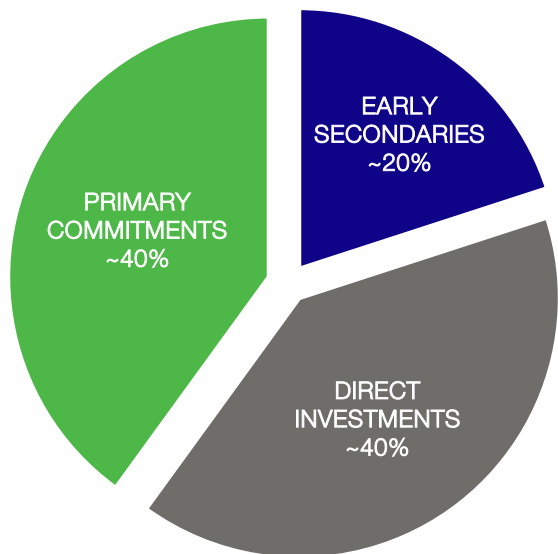
WILEY MILLER
 Portfolio Analyst (<1 | <1)
 University of Virginia

Supported by 19 additional team members across Finance, Operations and Investor Relations

Denotes Early-Stage Team Member

Strategy

16+ years pioneering unique, early-stage Venture Capital strategy



PRIMARY COMMITMENTS | DOWNSIDE PROTECTION

- Commitments to seed and early-stage funds <\$250M in size
- Low valuations with high multiple potential in early-stage companies
- Look-through exposure to ~1,200 seed-stage companies

DIRECT INVESTMENTS | ALPHA RETURN

- Concentrate capital in high conviction, mid-stage companies with \$5M+ of revenues
- Capitalize on pro-rata rights of small funds
- Exposure to ~60 mid-stage companies directly & through SPVs

EARLY SECONDARIES | J-CURVE MITIGATION

- Secondary LP interests in seed & early-stage funds <50% funded
- Aims to mitigate J-curve with mid-stage companies and earlier distributions
- Look-through exposure to ~300 early & mid-stage companies

*Fee Efficient
Portfolio
Construction¹*

*~2% total annual management fee
~24.5% total carried interest*

Fully loaded and net to Limited Partners

*Proven Track
Record of
Realizations²*

Redacted

A multi-year, diversified, fee-efficient solution providing access to the highest returning segment of the venture capital market, while accelerating liquidity.

The targets described herein are subject to change. Industry Ventures may at any time adjust, increase, decrease or eliminate any of the targets, depending on, among other things, conditions and trends, general economic conditions and changes in Industry Ventures' investment philosophy, strategy and expectations regarding the focus, techniques and activities of its strategy. **1)** Fee estimates are including underlying fund fees plus Industry Ventures fees. Calculations are unaudited and estimated based on weighted averages of only Industry Ventures Partnership Holdings III, L.P., Industry Ventures Partnership Holdings IV, L.P., and Industry Ventures Partnership Holdings V, L.P. historical fee analysis and assuming a 10-year fund life, due to relevant portfolio construction. Industry Ventures cannot guarantee that similar fees or carried interest will be attained by Industry Ventures Partnership Holdings VII, L.P. and may be materially different. **2)** All figures are unaudited and estimated as of 9/30/2023. The net realized multiple and net unrealized multiple are calculated by taking the difference between the total net multiple and total gross multiple and multiplying that by the gross realized multiple and gross unrealized multiple. The net realized IRR and net unrealized IRR are calculated by taking the difference between the total net IRR and total gross IRR and multiplying that by the gross realized IRR and gross unrealized IRR. **3)** The net multiple for the Direct Investments, Early Secondary and Primary Commitments is calculated by taking the ratio between the total net multiple and total gross multiple of the entire Hybrid Funds strategy and multiplying that by gross multiple of each. The net IRR for the Direct Investments, Early Secondary and Primary Commitments is calculated by taking the ratio between the total net IRR and total gross IRR of the entire Hybrid Funds strategy and multiplying that by gross IRR of each. **Note:** Return figures are projections and are considered hypothetical. They are (1) presented for illustrative purposes only; (2) unaudited; (3) do not reflect actual results of any specific Industry Ventures fund nor any actual results any investor has achieved; and (4) not necessarily indicative of future performance of any strategy or any fund. They represent calculations based on subjective assessments by Industry Ventures of key underlying factors. In calculating the hypothetical performance, Industry Ventures has made a variety of estimates and assumptions including, among others, estimates of future operating results, the value of assets and market conditions at the time of disposition, related transaction costs, and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, competitive and financial risks that are outside of Industry Ventures' control.

Actual operating results, asset values, timing and manner of dispositions or other realization events and resolution of other factors taken into consideration may differ materially from Industry Ventures' assumptions. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the hypothetical returns presented. Investors are encouraged to ask questions of Industry Ventures and discuss the assumptions underlying the hypothetical returns. Hypothetical returns do not reflect the actual returns of any portfolio and do not guarantee future results.

Track Record

vs. US Direct Venture Capital Benchmarks and S&P 500 PME

Overall Net Performance (as of September 30, 2023)	Vintage Year	Net DPI	Net IRR	Net TVPI
Partnership Holdings I	2007	292.8%	16.8%	3.3x
Cambridge Top Quartile US Venture Benchmark ¹	2007	233.0%	17.1%	2.6x
Cambridge Median US Venture Benchmark ¹	2007	164.0%	9.5%	1.7x
S&P 500 PME ²	2007	169.5%	9.4%	1.9x
Partnership Holdings II	2011	245.1%	22.4%	4.5x
Cambridge Top Quartile US Venture Benchmark ¹	2011	267.0%	23.6%	3.8x
Cambridge Median US Venture Benchmark ¹	2011	163.0%	15.5%	2.5x
S&P 500 PME ²	2011	117.5%	10.6%	2.1x
Partnership Holdings III	2013	181.1%	22.8%	3.3x
Cambridge Top Quartile US Venture Benchmark ¹	2013	201.0%	23.1%	3.3x
Cambridge Median US Venture Benchmark ¹	2013	113.0%	15.0%	2.5x
S&P 500 PME ²	2013	90.4%	9.1%	1.6x
Partnership Holdings IV	2016	37.0%	20.5%	2.3x
Cambridge Top Quartile US Venture Benchmark ¹	2016	71.0%	24.3%	2.8x
Cambridge Median US Venture Benchmark ¹	2016	39.0%	17.5%	2.1x
S&P 500 PME ²	2016	28.4%	9.8%	1.5x
Partnership Holdings V	2019	2.8%	27.1%	2.0x
Cambridge Top Quartile US Venture Benchmark ¹	2019	12.0%	24.1%	1.8x
Cambridge Median US Venture Benchmark ¹	2019	0.0%	12.3%	1.4x
S&P 500 PME ²	2019	2.4%	7.0%	1.2x
Partnership Holdings VI	2021	0.4%	14.2%	1.2x
Cambridge Top Quartile US Venture Benchmark ¹	2021	0.0%	3.0%	1.1x
Cambridge Median US Venture Benchmark ¹	2021	0.0%	(1.7)%	1.0x
S&P 500 PME ²	2021	0.1%	3.2%	1.0x

Note: Values are unaudited and estimated as of 9/30/2023. References to market or composite indices, benchmarks, or other measures of relative market or industry performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index.

Key Definitions: Net IRR: Internal Rate of Return since inception; net to Limited Partners. Net DPI: Cumulative Distribution to Paid-in-Ratio since inception; net to Limited Partners. Net TVPI: Total Value to Paid-in-Ratio since inception, net to Limited Partners.

1. Cambridge Associates US Venture Benchmarks as of 9/30/2023.

2. PME analysis mirrors Industry Ventures cash flows as if invested in the S&P 500 using the PME+ methodology as of 9/30/2023.

Competitive Edge

Data from 650+ LP positions (via Secondary funds and Partnership Holdings funds) provides an enormous **information advantage** in early secondaries and direct investments

GP-led sourcing from 110+ LP positions in seed-stage managers gives us **advanced, preferred access** to early secondaries and direct investments

Our long-standing experience in the secondary market enables us to dynamically **shift allocation to secondaries when the market is soft**

An experienced team with a proven 16-year track record



All figures are unaudited and estimated as of 9/30/2023. Past performance is not indicative of future results. Return figures are considered hypothetical. Please see Disclosures for more information. Note: The investments described herein are for illustrative purposes only. This is not a full and complete listing of all current and prior investments. A complete listing is available upon request.

1. The net realized multiple and net unrealized multiple are calculated by taking the difference between the total net multiple and total gross multiple and multiplying that by the gross realized multiple and gross unrealized multiple. The net realized IRR and net unrealized IRR are calculated by taking the difference between the total net IRR and total gross IRR and multiplying that by the gross realized IRR and gross unrealized IRR. Please see detailed track record information and a full list of funds for each strategy.

Appendix

Finance, Operations & Investor Relations Team



PAT HANSON
Chief Administrative Officer &
Chief Compliance Officer (2 | 16)
College of the Holy Cross



AARON HINZ
Chief Financial
Officer (9 | 18)
UC Santa Cruz



GEOFF LeMIEUX
Managing Director, Investor Relations
& Capital Formation (1 | 16)
Boston University MSIM |
Denison University



VALERIE LAU
General Counsel (2 | 9)
Georgetown JD | Harvard



MEREDITH HAYES
Principal, Investor Relations
& Capital Formation (<1 | 11)
University of Wisconsin



MATT LoRUSSO
Principal, Capital Formation
& Investor Relations (<1 | 11)
Boston College



CHRIS HIPPLE
Vice President
of Finance (7 | 13)
Santa Clara University



ALYSSA WALKER
Investor Relations
Manager (4 | 6)
University of Oregon



DANIELLE BELLANTONIO
Senior Associate,
Investor Relations (1 | 4)
Boston College



JAY FOSTER
Controller &
Tax Manager (3 | 8)
UCLA



KENDALL RIFE
Fund Accountant (<1 | <1)
George Mason University



LYNN APPELBAUM
Accounting Manager (2 | 10)
MAcc University of
Missouri, St. Louis



JENNIE GROSSI
Staff Accountant (<1 | <1)
Providence College, Thunderbird
School of Global Management



ALYSSA KELLER
Fund Accountant (<1 | <1)
Elon University



KAREN STEIN
Facilities & Office
Manager (5)
Sonoma State University



ALASSANE GOLDSMITH
Senior Executive Assistant
& IR/Legal Assistant (9)
Humboldt State



SOPHIA RAYGOSA
Executive Assistant (5)
San Francisco
State University



ESLLY HERNANDEZ
Executive Assistant (<1)
San Francisco
State University



CHELA PAGAN
Executive Assistant (<1)
Delaware County
Community College

SERVICE PROVIDERS



Leading Platform Across the Private Tech Lifecycle

Synergy across strategies drives proprietary deal flow, access, and due diligence

FIRM AT A GLANCE

2000

Year
Founded

\$7B+

Assets Under
Management

18%

Firm Level
Net IRR

3

Office Locations
(San Francisco, London,
Washington D.C.)

42

Total
Employees

400+

Direct
Investments

650+

Fund
Investments

EARLY-STAGE FUNDS

Hybrid & Direct

Support small and emerging VC managers investing in seed and early-stage companies. Invest alongside our trusted GP relationships in early-growth stage rounds of high-growth companies.

TECH BUYOUT FUNDS

Post-Venture

Sponsor middle-market tech buyout PE managers with concentrated exposure through direct investments in top companies.



SECONDARY FUNDS

Late-Stage VC Secondaries

Acquire late-stage venture capital assets by providing liquidity for company shareholders and fund investors.

Industry Ventures' Expansive Portfolio of Early-Stage Managers



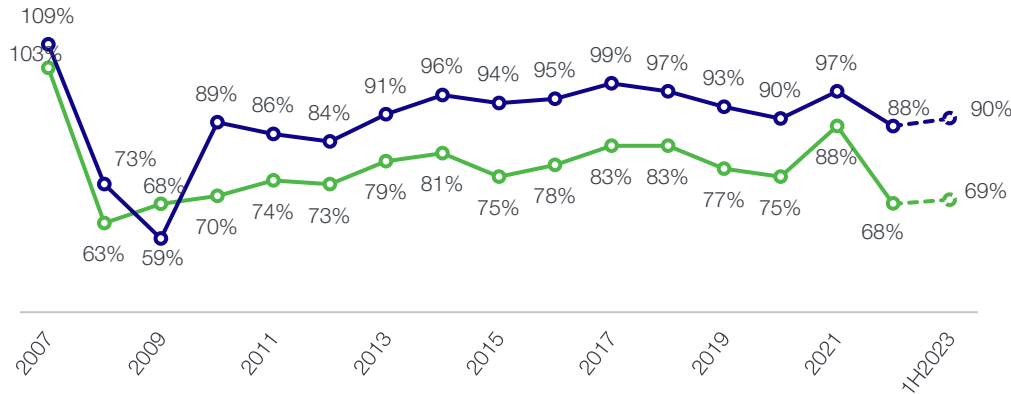
State of the Venture Capital Market

Hybrid Fund Strategy aims to capitalize on current market dislocation and long-term demand for technology

HISTORICAL LP INTEREST SECONDARY PRICING¹

(% of NAV)

—○— Venture —●— Buyout



DEEPLY DISCOUNTED
EARLY SECONDARIES



POTENTIAL J-CURVE
MITIGATION

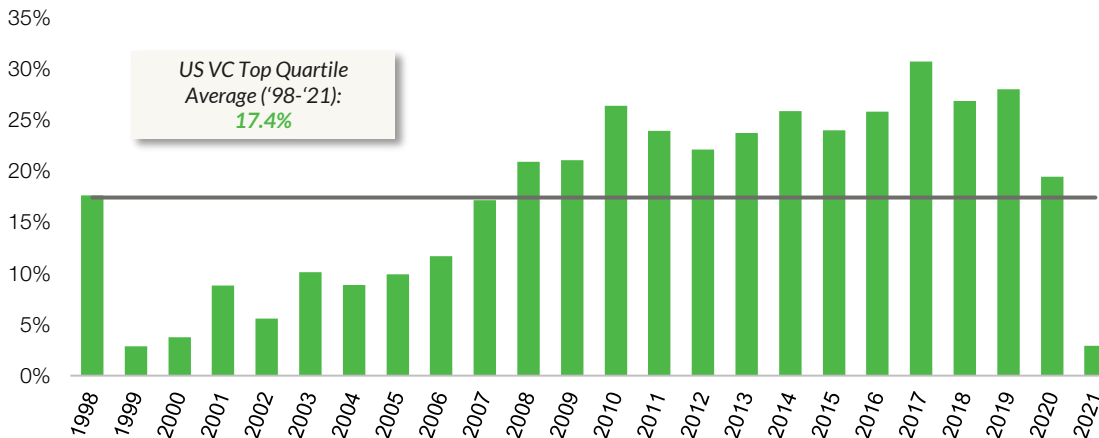


LOWER DIRECT INVESTMENT
ENTRY VALUATIONS



CONSISTENTLY STRONG VC
RETURNS OVER CYCLES

US VENTURE CAPITAL TOP QUARTILE NET IRR²



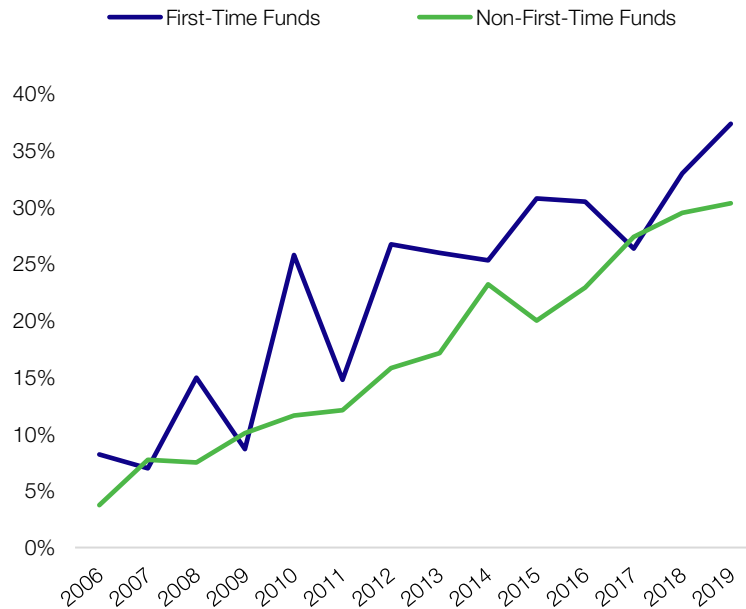
Note: Past performance is not indicative of future results.

1. Jefferies H1 2023 Global Secondary Market Review (July 2023); Greenhill – "Global Secondary Market Trends & Outlook" (July 2020) & "Global Secondary Market Trends & Outlook" (January 2016)

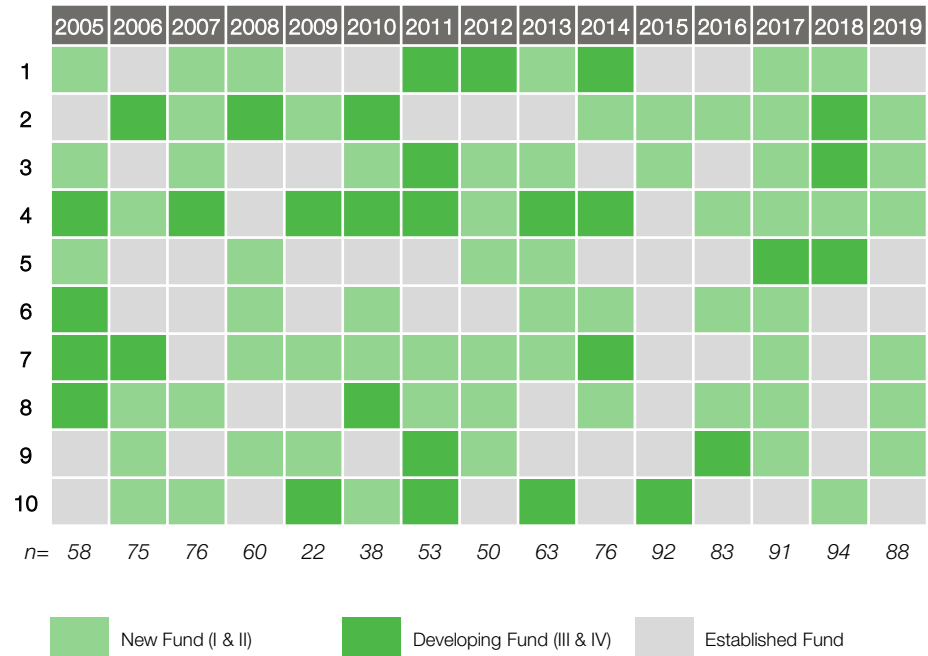
2. Cambridge Associates, "Venture Capital Index and Benchmark Statistics" and "Private Equity Index and Benchmark Statistics" as of 6/30/2023. Cambridge Benchmarks currently only provide data through 2021.

Emerging Managers Have Outperformed in Recent Years

MEDIAN NET IRR OF VC FUNDS BY VINTAGE YEAR¹



TOP 10 US VC FUNDS BY VINTAGE YEAR²



"It is important for private investors to understand how the return and risk profiles of VC investing have changed, as today's market is not the same as 20 years ago...Success is no longer limited to a handful of (often inaccessible) fund managers. Moreover, top returns are not confined to a few dozen companies...New and developing fund managers consistently rank as some of the best performers."

—Cambridge Associates "Venture Capital Positively Disrupts Intergenerational Investing," January 2020

1. Source: Preqin. Data as of Q3 2022.

2. Source: Cambridge Associates. Data as of Q1 2022. Cambridge Benchmarks currently only provide data through 2020.

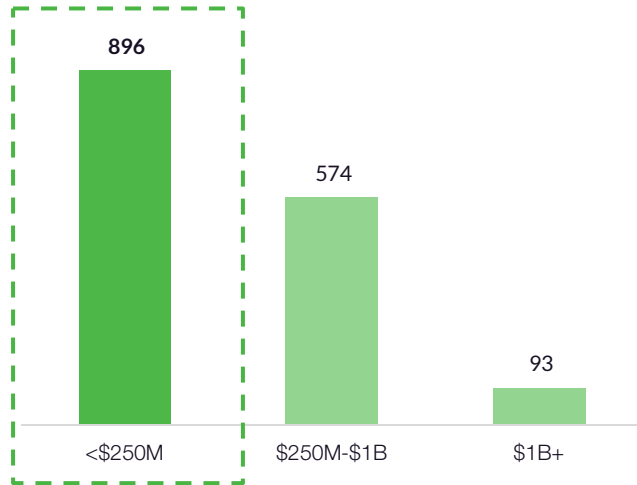
Notes: Total value to paid-in capital multiple is net of fees, expenses and carried interest. Fund order is determined as funds raised under the same strategy and does not include friends and family funds. A new fund is defined as the first or second fund, a developing fund is the third or fourth fund, and an established fund is the fifth fund and beyond. Funds less than three years old are considered too young to have produced meaningful returns; those vintages have been excluded from this analysis.

Specialist Needed: Investing in Emerging & Early-Stage VC

Opportunity set can provide attractive return potential, but an experienced guide poses benefits to LPs

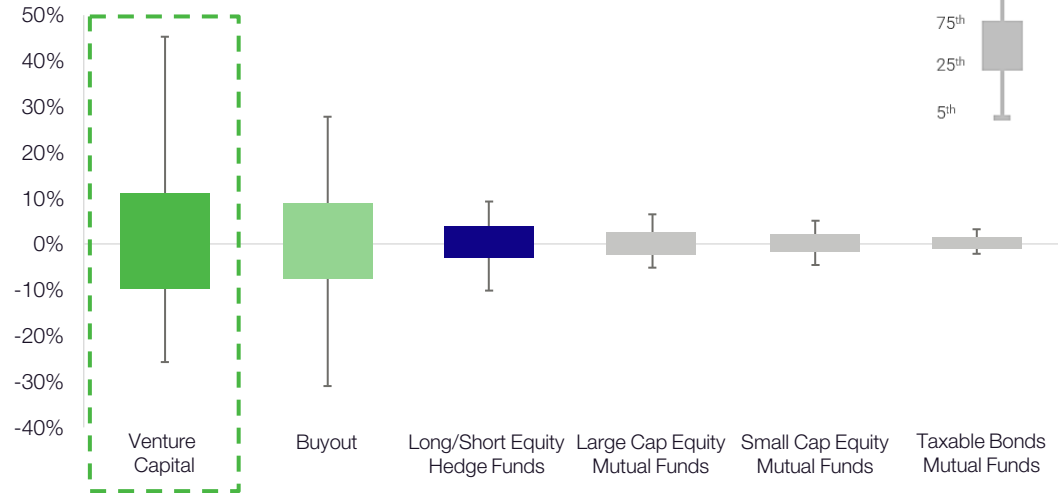
HUNDREDS OF SMALL FUNDS TO TRACK & EVALUATE

Number of US Venture Capital Managers by Fund Size²



MANAGER SELECTION MATTERS MOST IN VC

Dispersion of Returns for Active Managers by Asset Class³



- ✓ Industry Ventures has invested in over 100 small funds over the past 20+ years
- ✓ Evaluating and sourcing emerging and early-stage managers can be challenging for Limited Partners to do alone
- ✓ For many Limited Partners, \$125M average underlying fund size is too small

1. Cambridge Associates Venture Capital Index and Benchmark Statistics as of 9/30/22.

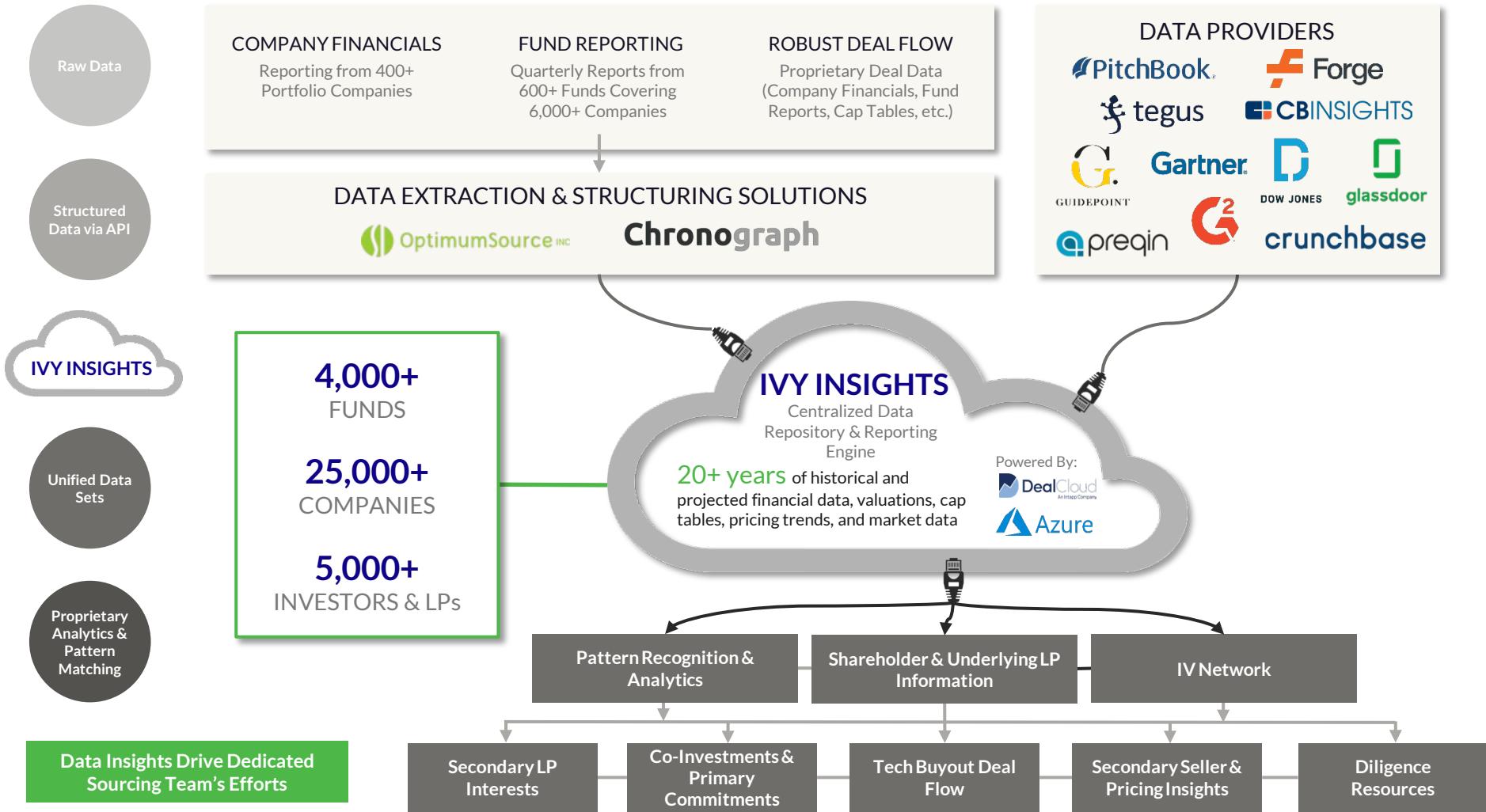
2. Pitchbook ; Represents US Venture Capital as of December 2022.

3. Morgan Stanley, Counterpoint Global Insights Report "Public to Private Equity in the United States: A Long-Term Look", August 4, 2020

Note: Statements about average underlying fund size and investments into 400+ funds are sourced from internal Industry Ventures analysis and reports

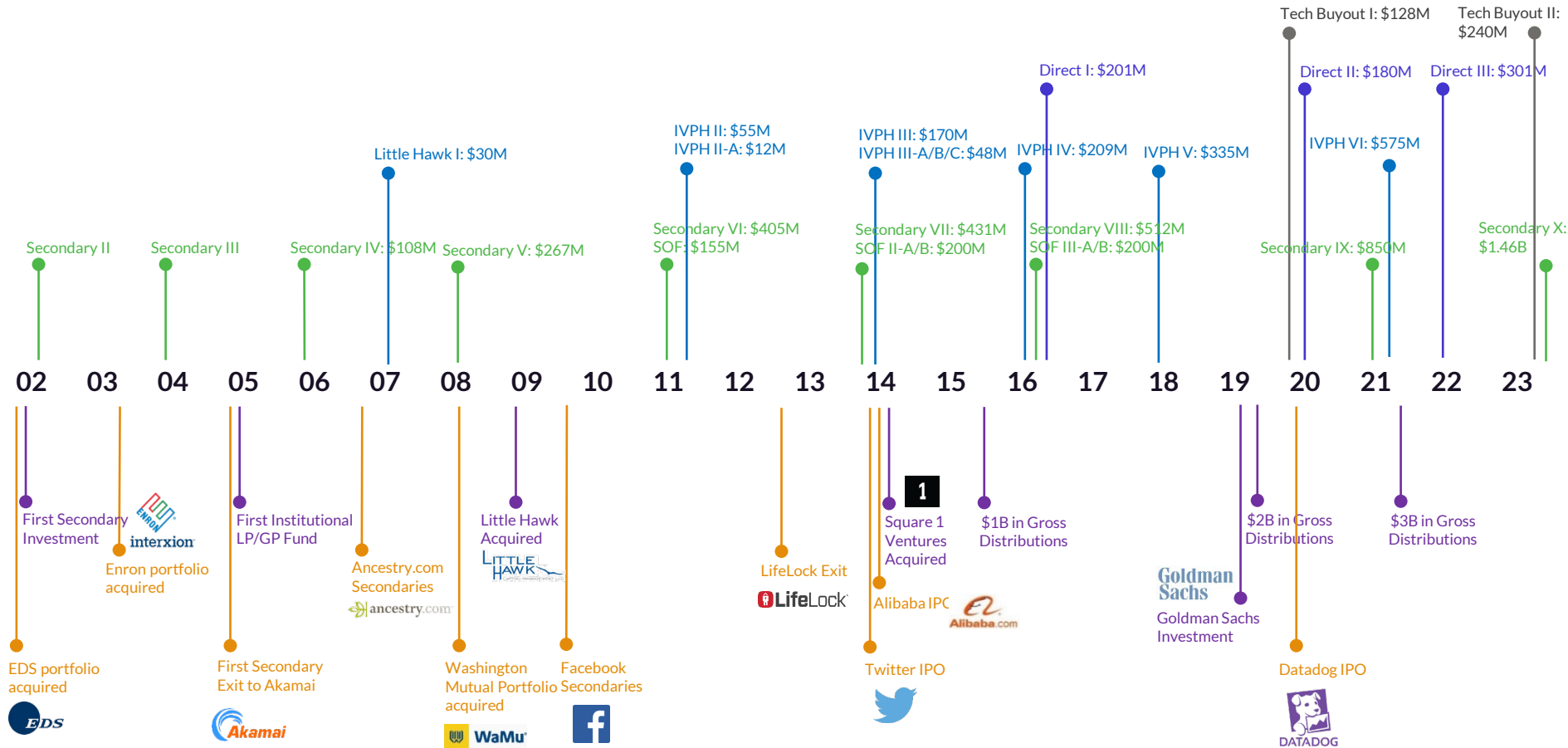
Technology-Enhanced Advantages

Sourcing, Price Discovery, and Due Diligence



Firm Timeline

● Secondary Funds
● Partnership Holdings Funds
● Direct Funds
● Tech Buyout Fund
● Team/Org Milestone
● Investment Milestone



The investments described herein are for illustrative purposes and past performance is not indicative of future results. Not all acquisitions or IPOs are profitable; the positions can be acquired at a price that is greater or less than the price at which the Firm purchased its interest in client accounts. The information is being shown on this subject to reflect the Firm's ability to select investments and not to reflect any positive investment experience. This is not a full and complete listing of current or prior investments. A complete listing is available upon request. Please see the appendix for Fund level performance track records and refer to additional disclosures at end of presentation.

Venture Capital Market Overview

High growth valuations may be stabilizing after dramatic decline

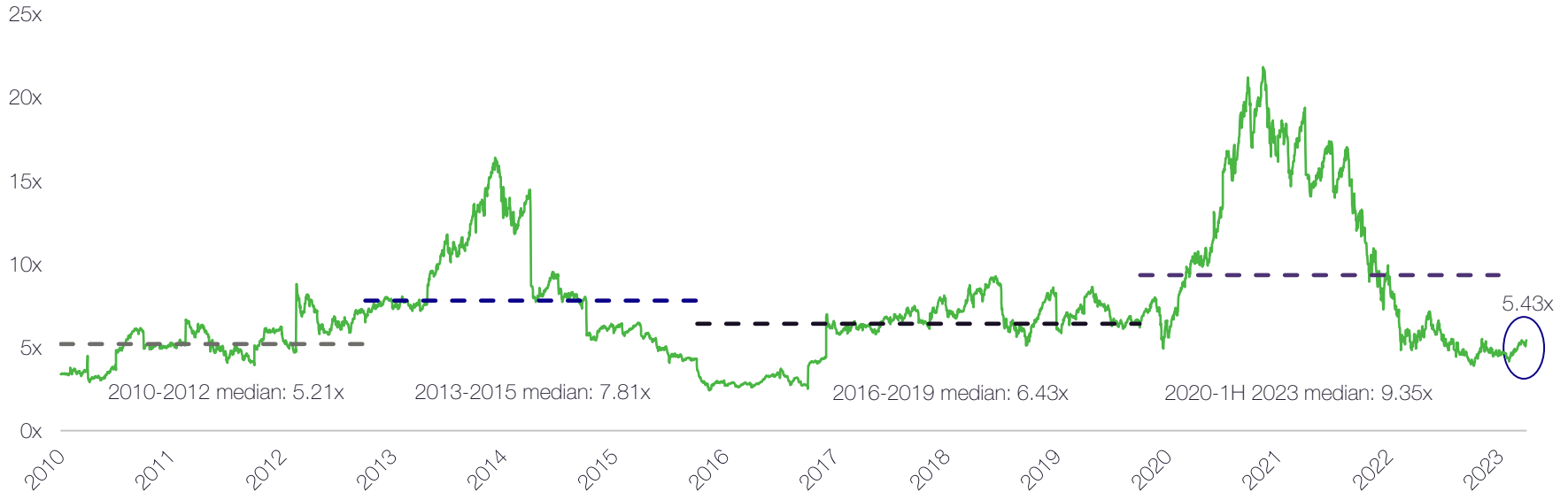


10 YR US TREASURY YIELD

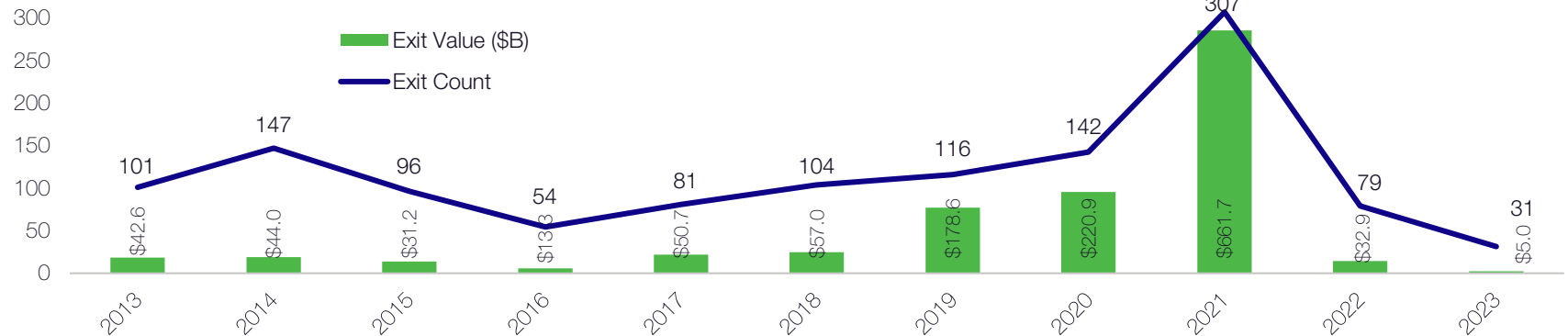


Current public multiples back to 2010-2012 and IPOs down dramatically

TRAILING 12-MONTH (TTM) PRICE-TO-SALES MULTIPLES FOR VC-BACKED IPO INDEX⁽¹⁾

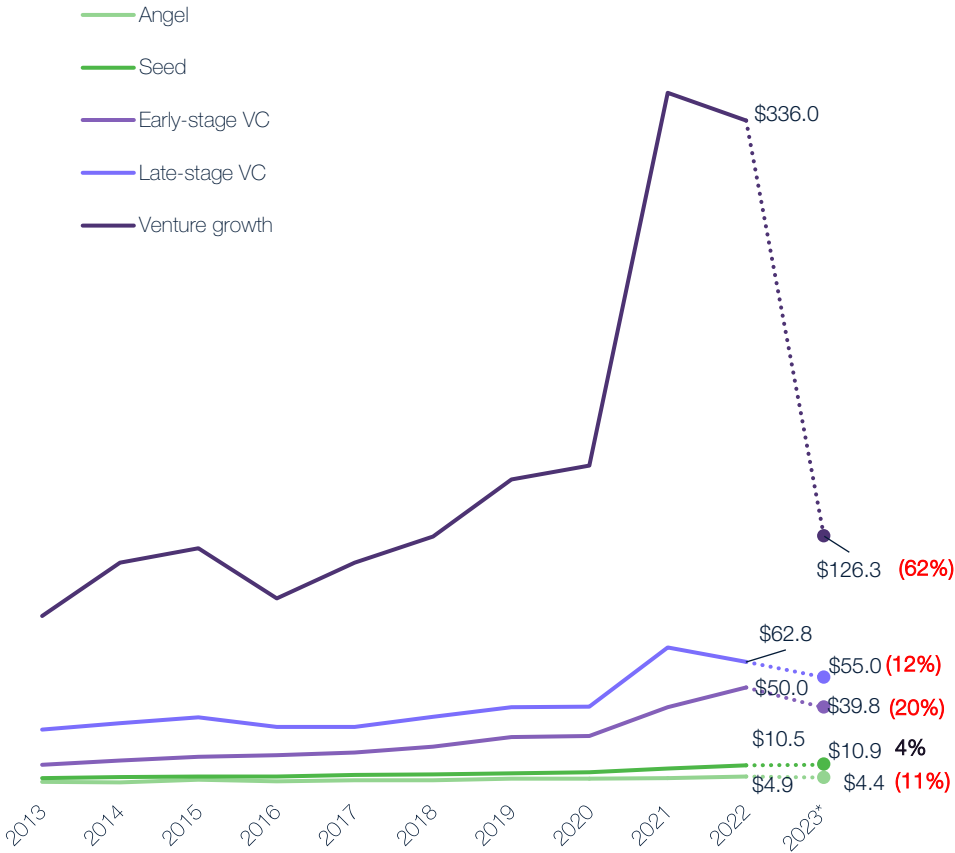


US VC-BACKED IPO EXITS



Private valuations decline and exits fall to 10-year low

MEDIAN U.S. VC PRE-MONEY VALUATION BY STAGE (\$M)

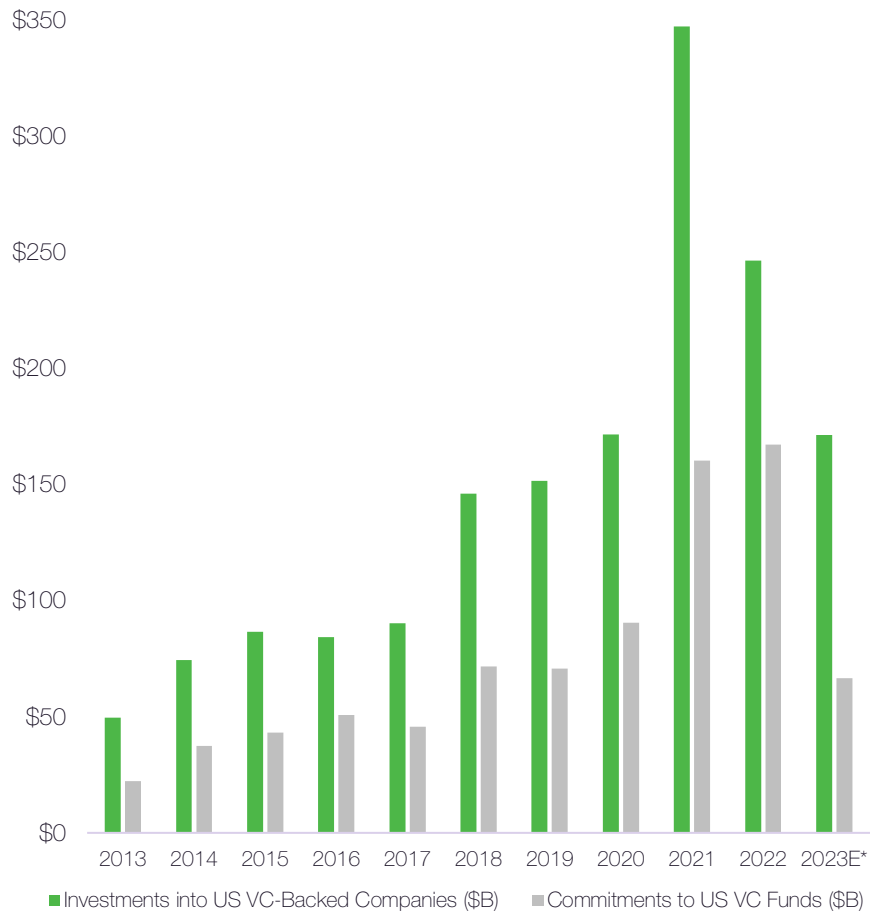


U.S. VENTURE CAPITAL EXIT ACTIVITY (\$B)

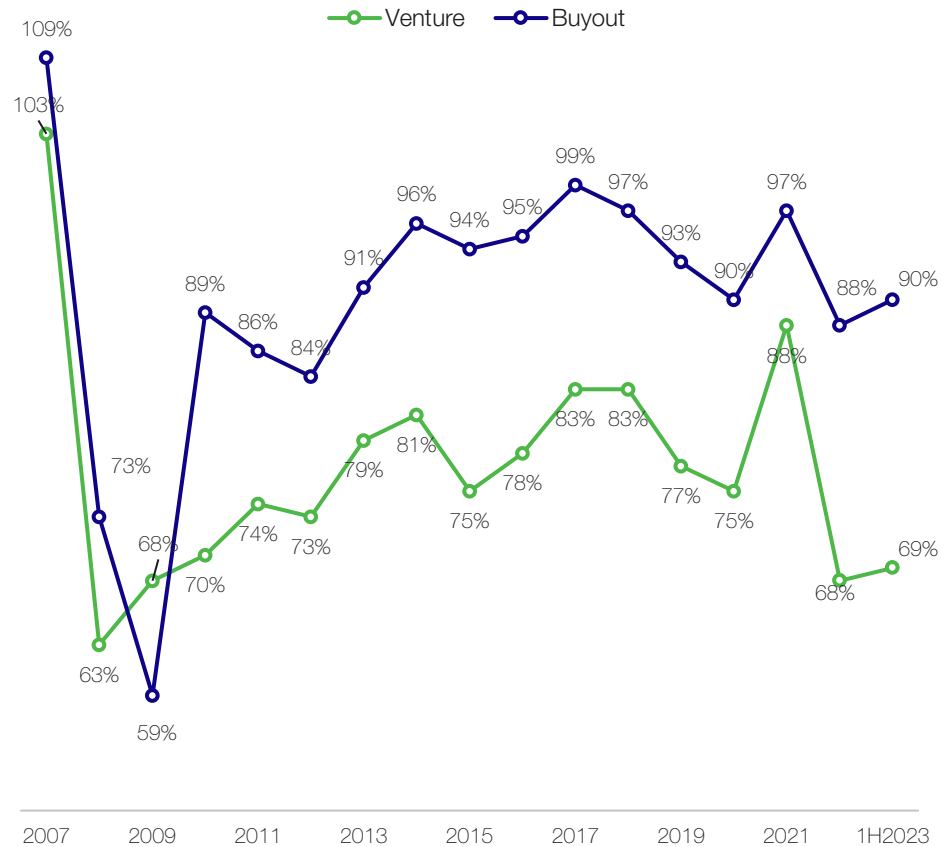


Venture investment declines and secondary discounts deepen

U.S. VENTURE CAPITAL FUNDRAISING VS. INVESTMENT



HISTORICAL LP INTEREST SECONDARY PRICING (% OF NAV)⁽¹⁾



Source: Data provided by Pitchbook, 'Q2 2023 Pitchbook-NVCA Venture Monitor'

*2023 data estimated by annualizing Q2 data. Provided by Pitchbook as of June 30, 2023.

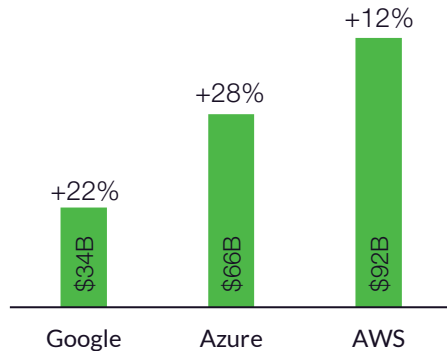
1. Jefferies H1 2023 Global Secondary Market Review (July 2023); Greenhill – "Global Secondary Market Trends & Outlook" (July 2020) & "Global Secondary Market Trends & Outlook" (January 2016)

Strong Demand for Technology

CLOUD SPEND

- Cloud growth remains robust
- Azure AI growing 200% QoQ to \$1.5B run rate

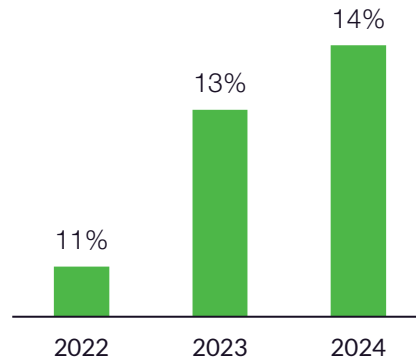
CLOUD REVENUE RUN RATE AND GROWTH⁽¹⁾



SOFTWARE SPEND

- Global software growth rate accelerating
- Software spend projected to eclipse \$1T in '24

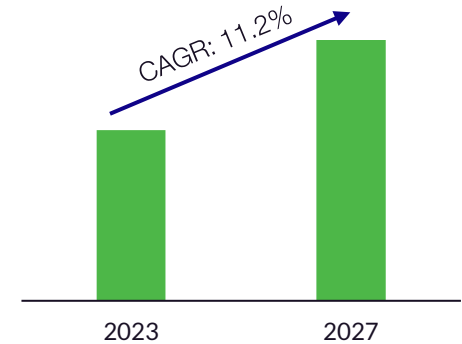
SOFTWARE SPEND GROWTH⁽²⁾



E-COMMERCE

- Projected 11.2% CAGR for US e-commerce spend from '23 to '27
- E-Commerce penetration only 21% of overall retail spend in '22

USE-COMMERCE REVENUE GROWTH⁽³⁾



*"AI is just at the beginning of the S-curve;
The near-term and long-term opportunities are enormous"*
– Satya Nadella, Microsoft CEO

1. Clouded Judgement, Jamin Ball. Note: Data as of 9/30/2023, growth rates shown are YoY
 2. Gartner, "Gartner Forecasts Worldwide IT Spending to Grow 8% in 2024", October 18, 2023
 3. Statista Market Insights
 4. Economic Impact of AI on GDP in the United States by 2030, Bergur Thormundsson, Statista

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The portfolio companies identified in this presentation are not necessarily the best performing investments in the portfolio, and have been presented for illustrative purposes only to demonstrate Industry Ventures' investment approach with respect to each category. They do not necessarily represent all of the investments made or recommended by Industry Ventures, and it should not be assumed that the specific investments identified and discussed herein were or will be profitable.

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MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS
 February 29, 2024

RE: Private Equity – Venture Capital

Last month, RVK presented the Private Equity Pacing Analysis, which recommends \$150M per year in private equity commitments to reach our 8% target allocation by 2030. The pacing plan promotes vintage year diversification and smooth cash flow management. The goal of this proposal is to increase the private equity commitment, consistent with the pacing plan and strategic asset allocation targets.

Staff recommends allocating one-third of the private equity commitment into venture capital. The current venture capital landscape is promising, with valuations having come off the highs of 2021 and artificial intelligence creating great opportunities for the next wave of innovations.

Staff and RVK recommend a commitment to Andreessen Horowitz (a16z) Fund Multiplexer. The firm was founded in 2009 by Marc Andreessen and Ben Horowitz and has grown to over \$35B in assets under management with over 530 employees. a16z invests across stages (seed, venture, growth) and industries. Artificial intelligence (AI) is the largest trend in Silicon Valley today and the main area of focus for a16z during this fundraising cycle.

A majority of the commitment will be allocated across the current fundraising lineup, which includes (1) AI infrastructure, (2) AI applications, (3) video gaming, (4) late-stage venture and (5) American dynamism (AD) – companies that support national interest and view the government as a customer, competitor, or stakeholder. AD sectors include aerospace, defense, transportation, and supply chain resiliency. The remaining will be earmarked for expected fundraises in 2025 to digital asset infrastructure businesses and biotech/healthcare sectors.

Recommendation: The Board approve \$35M commitment to a16z Fund Multiplexer, subject to standard legal review/documentation.

- Attachment 1: RVK Executive Summary
- Attachment 2: a16z Presentation

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

Andreessen Horowitz 2024 Fundraise

Executive Summary of the Investment Opportunity

Andreessen Horowitz (“a16z” or “the Firm”) is a venture capital firm that specializes in technology and healthcare startups. a16z was founded in 2009 and is headquartered in Menlo Park with additional offices in San Francisco, New York City, Miami, Santa Monica, and London. The Firm has over 540 employees and is led by 27 general partners who are domain experts and often former CEO/operators investing within specific verticals across the Andreessen Horowitz funds. Andreessen Horowitz currently operates eight fund series. The investment team is led by Co-Founders Marc Andreessen and Ben Horowitz. These individuals are supplemented by 25 other managing directors that specialize within the Firm’s different fund series and more than 500 other employees, who support an organization focused on enhancing growth and profitability within Andreessen Horowitz’s portfolio companies. Andreessen Horowitz differentiates itself from other venture capital firms by the size and scale of the Firm’s operational resources, where internal experts in sales and marketing, technology, and operations work with each portfolio company.

Andreessen Horowitz is currently raising a vehicle to provide investors access to all the Firm’s 2024 and 2025 investment strategies through a single investment. The close for the Funds is expected to take place in Q2 2024.

INVESTMENT RECOMMENDATION

RVK, Inc. recommends that North Dakota Board of University and School Lands invest \$35 million in this opportunity as the Fund represents a compelling opportunity to access the main segments of venture capital through Andreessen Horowitz’s specialist funds raised in 2024 and 2025 with one of the most well regarded venture capital firms. Among the largest and most successful venture capital firms, Andreessen Horowitz’s large number of specialist operational groups provide outside resources to portfolio companies, with the goal of enabling Andreessen Horowitz to provide technology startups with the deepest and highest value add network of peers.

RVK recommends clients invest in this strategy due to the expected ability of the Fund to contribute to private equity outperformance relative to public markets. Venture capital investments have historically provided the potential for significant return above public market alternatives, with substantial additional risk due to the early stage of portfolio company investments. Venture capital is the asset class with the greatest manager dispersion, heightening the benefits to investing with the most well positioned firms. Throughout RVK’s work on Andreessen Horowitz, the Firm was exceptionally well regarded by venture capital and private equity market participants and other investors. Andreessen Horowitz has generated attractive historical returns and RVK expects that the competitive advantage that resulted in these returns will continue. In the context of this recommendation, it is important to consider the risks inherent to private investments, equity investments in general, and the risks associated with this specific investment. Specific risks of an investment in the Fund include other considerations detailed in RVK’s full report.

PORTFOLIO CONTEXT

Andreessen Horowitz's 2024 fundraise will provide exposure to the main segments of venture capital, across sectors and throughout early, mid-, and late stage financings. The fund is well suited to complement other stage and sector specific venture capital funds, where Andreessen Horowitz's broad exposure could mitigate risk stemming from more concentrated exposures in other venture capital funds.

a16z Presentation to North Dakota Department of Trust Lands

February 2024

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a16z Overview

Strategic context, expertise and network



Investments

Software is eating the world
Stage agnostic
Location agnostic



Funds

Funds across **AI Infra, AI Apps, American Dynamism, Games, Crypto, and Bio + Health** and across all stages.



General Partners

Domain experts in their field.
Magnetic to entrepreneurs.



Operating Partners

Deep subject matter experts



a16z Network

Scale portfolio, services, and network

Current Focus Areas

	AI (Infra)	AI (Apps)	American Dynamism (AD)	Games	Bio + Health	Crypto
Series C and beyond	Late Stage Venture (LSV)					
Series A/B	AI (Infra)	AI (Apps)	American Dynamism	Games	Bio + Health	Crypto Venture
Seed						Crypto Seed

One Team: 27 General Partners

Our partnership includes founders, CEOs, CTOs, and deep subject matter experts



Marc Andreessen



Ben Horowitz



Jorge Conde
Bio + Health



Julie Yoo
Bio + Health



Vijay Pande
Bio + Health



Vineeta Agarwala
Bio + Health



Ali Yahya
Crypto



Arianna Simpson
Crypto



Chris Dixon
Crypto



Sriram Krishnan
Crypto



David George
Growth



Joe Morrissey
Growth



Sarah Wang
Growth



Scott Kupor
Growth



Alex Rampell
AI Apps



Angela Strange
AI Apps



Anish Acharya
AI Apps



David Haber
AI Apps



Kristina Shen
AI Apps



Anjney Midha
AI Infra



Martin Casado
AI Infra



Zane Lackey
AI Infra



David Ulevitch
American Dynamism



Katherine Boyle
American Dynamism



Andrew Chen
Games



Jonathan Lai
Games



Peter Levine
Advisor



The above portfolio companies are provided for illustrative purposes only and are not necessarily representative of the entire a16z.com portfolio. For a full list of our portfolio companies, please visit a16z.com/portfolio.



532

Full Time Employees Helping Our Portfolio

Investing Our Management Fees Into Our Operating Platform

Portfolio Companies

a16z Differentiated Operating Platform



Go-To-Market Network



Capital Network



Full-Stack Talent



Technical Talent



People Practices



Marketing

Networks

Corporates, Publishers, Platforms, Influencers

Capital & Strategic, Financial Operations, Asia Network

VP/C-level Execs, Search Firms

Product Managers, Engineers, Designers

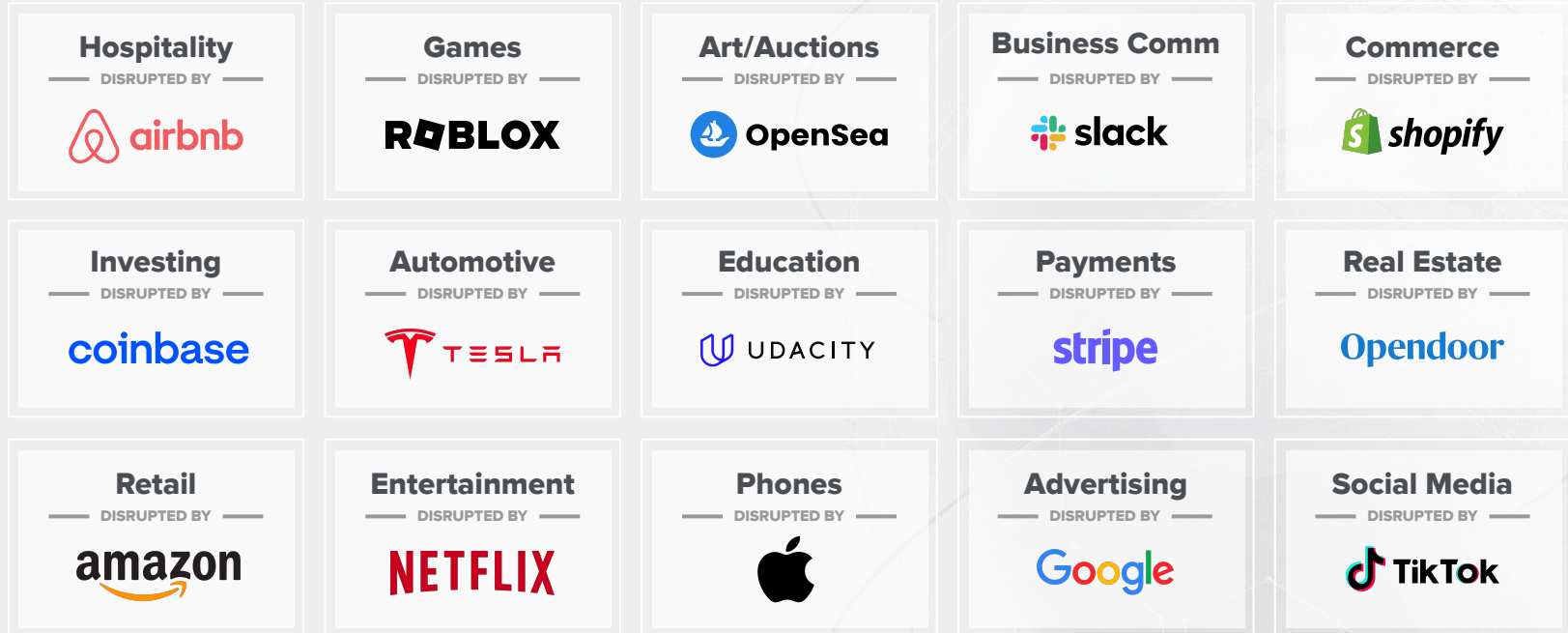
HR Best Practices, Practitioners

Press, Agencies

Investing Landscape

Software is Eating the World

Companies that fail to innovate are left behind by these trailblazers



Any investments or portfolio companies mentioned, referred to, or described on this page are not representative of all investments in vehicles managed by a16z and there can be no assurance that the investments will be profitable or that other investments made in the future will have similar characteristics or results. Exits include current and former a16z portfolio companies which have been acquired as well as companies which have undergone an initial public offering or direct public offering of shares. Certain publicly traded companies on this list may still be held in Andreessen Horowitz funds. A list of investments made by funds managed by a16z is available here: <https://a16z.com/investments/>. Excluded from this list are investments for which the issuer has not provided permission for a16z to disclose publicly as well as unannounced investments in publicly traded digital assets. Further, the list of investments is updated monthly and as such may not reflect most recent a16z investments. Past results of Andreessen Horowitz's investments, pooled investment vehicles, or investment strategies are not necessarily indicative of future results.



**A culture is not
a set of beliefs,
it's a set of actions.**

—Bushido

a16z Culture and Values

More here: a16z.com/values



We
do only
first-class
business
and only
in a first
class way



We
take a long
view of
relationships,
because we
are in the
relationship
business



We
believe
in the future
and bet
the firm
that way



We
are all
different, we
recognize
that, and
we win



We
celebrate
the good
times



We
play
to win



We
do it for
the team

Thank you.

Learn more at a16z.com

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RE: Litigation Update
(No Action Requested)

- **EEE Minerals, LLC v. State of North Dakota, the Board of University and School Lands**

- **Case Summary:** (OHWM title dispute / takings claim) – ND Federal District Court issued order May 31, 2022, granting Board’s motion to dismiss on all counts: federal preemption, sovereign immunity, takings; Plaintiffs appealed to 8th Circuit; on August 30, 2023, the 8th Circuit three judge panel issued its opinion in our favor affirming the trial court’s dismissal on all counts; on September 12, 2023, Plaintiffs requested a rehearing in front of the full 8th Circuit Court which was denied on October 27, 2023; on January 19, 2024, Plaintiffs petitioned the U.S. Supreme Court to hear the case; will await cert decision from the Court

Commencement: December 2020
ND Assigned Attorney(s): Philip Axt, ND Solicitor General
Counsel For EEE: Joshua Swanson (Vogel Law Firm, Fargo ND)
Court: United States District Court, District of North Dakota
Judge: Magistrate Judge Clare R. Hochhalter

Win = Takings claim dismissed resulting in no liability to state

Lose = Plaintiff’s case can proceed resulting in trial to determine validity of claims

- **Whitetail Wave LLC v. XTO Energy, Inc.; the Board of University and School Lands**

- **Case Summary:** OHWM title dispute / takings claim – On August 22, 2023, Whitetail Wave appealed the trial court’s rulings for the state (takings, Wenck Line, quiet title) and the award of attorney fees to co-defendant XTO Energy. North Dakota Supreme Court arguments held January 17, 2024; awaiting decision

Commencement: June 2015
ND Assigned Attorney(s): David Garner, Assistant Attorney General
Counsel for Whitetail Wave: Christopher Sweeney (Moulton Bellingham PC, Billings, MT)
Joshua Swanson (Vogel Law Firm, Fargo, ND)
Counsel for XTO: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)
Court: State District Court, McKenzie County
Judge: Honorable Robin Schmidt

Win = Takings claim dismissed resulting in no liability to state

Lose = Plaintiff’s case can proceed resulting in trial to determine validity of claims

- **Continental Resources, Inc. v. North Dakota Board of University & School Lands and North Dakota Department of Trust Lands**

- **Case Summary:** Continental Oil Royalty Deductions – Now that the Newfield gas royalty deductions case has been resolved, this has come off stay and the parties have filed a joint scheduling order laying out the discovery and preparation timeline for trial that is currently scheduled for August 4-8, 2025, in McKenzie County.

Commencement: December 2017

ND Assigned Attorney(s): David Garner, Assistant Attorney General

Counsel for
Continental Resources, Inc.: Jamie Bryan, (K&L Gates, Fort Worth, TX)
Mark Barron (Baker & Hostetler, LLP, Denver, CO)

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = Clarity that Land Board oil & gas lease does not allow for deductions from oil royalties resulting in tens of millions of dollars in deductions being repaid to the state.

Lose = Deductions from oil royalties are allowed under the lease, requiring additional administrative rules/case law to clarify extent

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

- **Case Summary:** Missouri riverbed ownership – On July 7, 2023, the United States filed a motion to amend its pleading to add a quiet title crossclaim against North Dakota as a new Intervenor in the case. We filed a motion requesting a change of venue to North Dakota that the Court is now considering.

Commencement: July 2020

ND Assigned Attorneys: James Auslander, Kathryn Tipple, Peter Schaumberg, and
Nessa Coppinger (Beveridge & Diamond, Washington, D.C.)
Charles Carvell, Special Assistant Attorney General (Pearce
Durick PLLC, Bismarck ND)
Matthew Sagsveen, AG Dir. of Natural Resources and Native
American Affairs

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

Counsel for United States
Department of Interior: Reuben S. Schiffman (Washington, D.C.)

Court: United States District Court for the District of Columbia

Judge: Honorable Amy Berman Jackson

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

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

- **Continental Resources, Inc. v. North Dakota Board of University and School Lands and the United States of America (Interpleader)**

- **Case Summary:** OHWM fed/state dispute – ND Federal District Court issued opinion March 21, 2023, granting Board’s motion for partial summary judgment on “Acquired Federal Lands” issue; this means the Wenck survey controls for establishing the historical ordinary high-water mark of the Missouri River in areas where the uplands were acquired by the federal government, and not original “public domain lands”; federal government appealed and we filed cross appeal; final brief was filed January 10, 2024, with oral arguments to be scheduled thereafter.

Commencement: December 2016

ND Assigned Attorneys: Charles Carvell, Special Assistant Attorney General (Pearce Durick PLLC, Bismarck ND)
Philip Axt, ND Solicitor General

Counsel for XTO: Lawrence Bender (Fredrikson & Byron P.A., Bismarck, ND)
Spencer Ptacek (Fredrikson & Byron P.A., Bismarck, ND)

Counsel for USA: Shaun Pettigrew (Environment and Natural Resources Division (ENRD) of the U.S. Department of Justice

Court: United States District Court, District of North Dakota

Judge: Magistrate Judge Clare R. Hochhalter

Win = State survey controls where U.S. lands abut the Wenck line resulting in retention of 2,500 mineral acres

Lose = Federal surveys control resulting in net loss of approximately 2,500 mineral acres

- **State of North Dakota, ex. rel. v Virginia Leland, et.al.**

- **Case Summary:** OHWM river island ownership, trial was held on September 12-16, 2022; post-trial briefing completed December 2023; awaiting Judge Schmidt's ruling.

Commencement: January 2016

ND Assigned Attorneys: Matthew Sagsveen, AG Dir. of Natural Resources and Native American Affairs
James Wald, DTL General Counsel

Counsel for Whiting Oil and Gas Corp: Paul Forster (Crowley Fleck, PLLP, Bismarck, ND)
Shane Hanson (Crowley Fleck, PLLP, Bismarck, ND)

Counsel for Defendant(s): Kevin Chapman (Chapman Law Firm, P.C., Williston, ND)
Ariston Johnson (Johnson & Sundeen, Watford City, ND)
and Others

Court: State District Court, McKenzie County

Judge: Honorable Robin Schmidt

Win = State owns at issue Yellowstone River islands and related mineral interests

Lose = Plaintiffs owns at issue Yellowstone River islands and related mineral interests

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 consolation, to review confidential records, and discuss negotiating strategy regarding regarding:

- **Royalty Settlement Offers**
- **Continental Resources, Inc. v. North Dakota Board of University and School Lands and the United States of America (Royalty Deductions Case)**

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Howe					
Superintendent Baesler					
Treasurer Beadle					
Attorney General Wrigley					
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 20 minutes.

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 consulted with attorneys regarding the identified legal issue.

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.