

**THIS MEETING WILL BE HELD VIA MICROSOFT TEAMS ONLY**

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Phone Conference ID: 207 166 480#

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. [October 26, 2023](#) – minutes available via link
  
2. **Operations**
  - A. Eide Bailly – [Financial Audit](#) – full financial audit available via link - pg. 2
  - B. Financial Highlights – Joseph Heringer, Commissioner – pg. 6
  - C. Commissioner Performance & Compensation Committee Update – Treasurer Beadle
  - D. Department of Trust Lands Organizational Chart and Years of Service – pg. 8
  
3. **Division Reports – Joseph Heringer, Commissioner**
  - A. Surface – Director Joseph Stegmiller – pg. 9
  - B. Minerals – Director Chris Suelzle - pg. 12
  - C. Unclaimed Property – Director Susan Dollinger – pg. 14
  - D. Financials – CFO Peggy Gudvangen - pg. 15
  - E. Executive Summary of Assets – CIO Frank Mihail – pg. 26
  
4. **Investments – Frank Mihail, CIO**
  - A. Investments Updates – pg. 28
  - B. Private Equity – Blue Owl Recommendation: Colin Vick and Chris Crampton – pg. 31
  
5. **Litigation – Joseph Heringer, Commissioner – pg. 54**
  
6. **Dakota Access Pipeline EIS Submission – Joseph Heringer, Commissioner**

**Next Meeting Date – December 18, 2023**



October 19, 2023

To the State Land Board and  
the Legislative Assembly  
State of North Dakota  
Bismarck, North Dakota

We have audited the financial statements of North Dakota Department of Trust Lands (the Department) as of and for the year ended June 30, 2023, and have issued our report thereon dated October 19, 2023. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under *Government Auditing Standards***

As communicated in our letter dated July 26, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Department solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal controls over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated October 19, 2023.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Department is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows.

Management's estimate of the fair value of investments is based on quoted market prices, estimates of fair value from investment managers, cash flow analysis, and yield currently available on comparable securities. We evaluated the key factors and assumptions used to develop the fair value estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the unclaimed property liability is based on the historical average payout percentage per subsequent year to determine the current year liability. The historical average is based on a 10-year rolling average percentage of the total unclaimed property amounts collected during a specific fiscal year paid out in subsequent fiscal years. We evaluated the key factors and assumptions and checked the clerical accuracy of the calculation used to determine the liability and determined that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Department's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

We have made the following modification to our auditor's report to add an Emphasis of Matter paragraph.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the State of North Dakota that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the State of North Dakota as of June 30, 2023 and 2022 and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated October 19, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Department, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Department's auditors.

This report is intended solely for the information and use of the State Land Board, the Legislative Assembly, and management of the Department and is not intended to be, and should not be, used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP". The signature is written in black ink and is positioned above the text "Bismarck, North Dakota".

Bismarck, North Dakota

# AUDITED FINANCIAL HIGHLIGHTS

Common Schools Trust Fund balance increased \$560 million (+10%) from FY22 \$5.66 billion to FY23 \$6.22 billion



Combined other permanent funds balance increased \$29 million (+9%) from FY22 \$316 million to FY23 \$345 million



Annual royalty revenues increased \$25 million (+5%) from FY22 \$483 million to a record breaking FY23 \$508 million

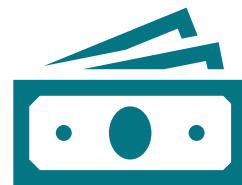


# AUDITED FINANCIAL HIGHLIGHTS

Biennial investment income increased \$85 million (+31%) from \$272 million FY19-21 to \$357 million FY21-23



Biennial rental income increased \$2 million (+7%) from \$28 million FY19-21 to \$30 million FY21-23

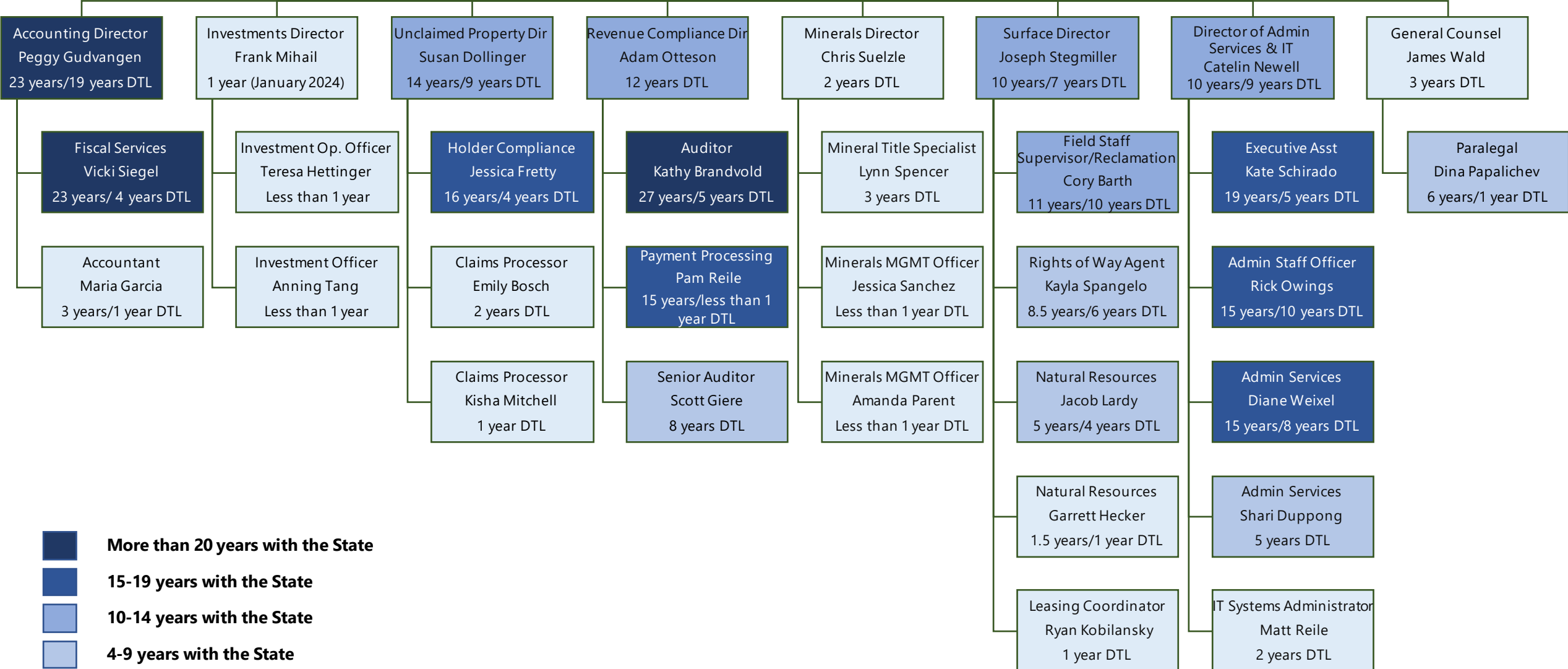


Common Schools Trust Fund K-12 distributions increased \$79 million (19%) from FY21-23 \$421 million to FY23-25 \$500 million



# DEPARTMENT OF TRUST LANDS (DTL) ORG CHART AND TOTAL YEARS OF SERVICE WITH THE STATE/DTL

Commissioner  
Joseph Heringer  
2 years (in March 2024)



- More than 20 years with the State**
- 15-19 years with the State**
- 10-14 years with the State**
- 4-9 years with the State**
- 0-3 years with the State**



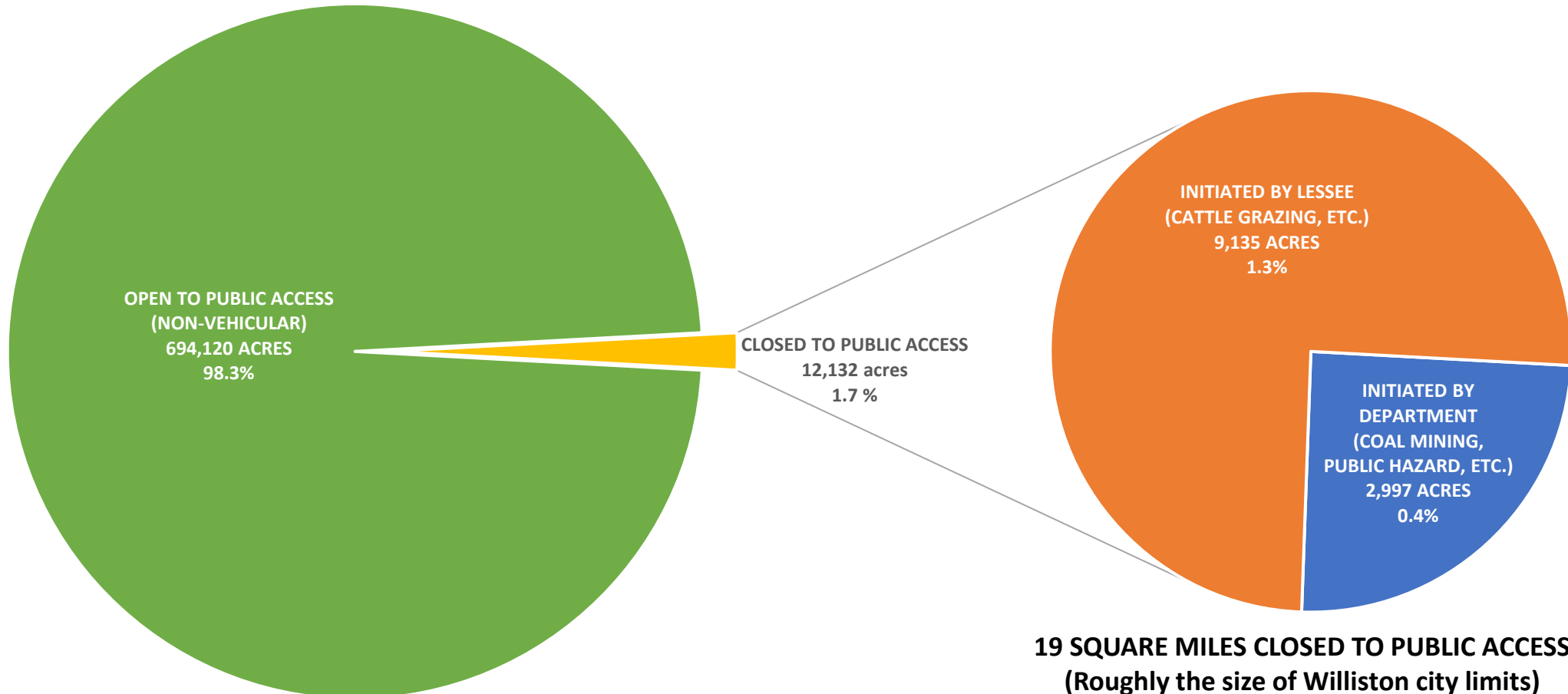
# SURFACE DIVISION – RIGHTS OF WAY

Encumbrances issued by Commissioner during October 2023:  
12 Right of Way Agreements generating \$270,421 in income for the Trusts.

Beaver Dam on Trust Lands in McKenzie County 146-100-16 (October 2023) Photo Credit: Jacob Lardy



## 98% OF TRUST LANDS ARE OPEN TO PUBLIC ACCESS



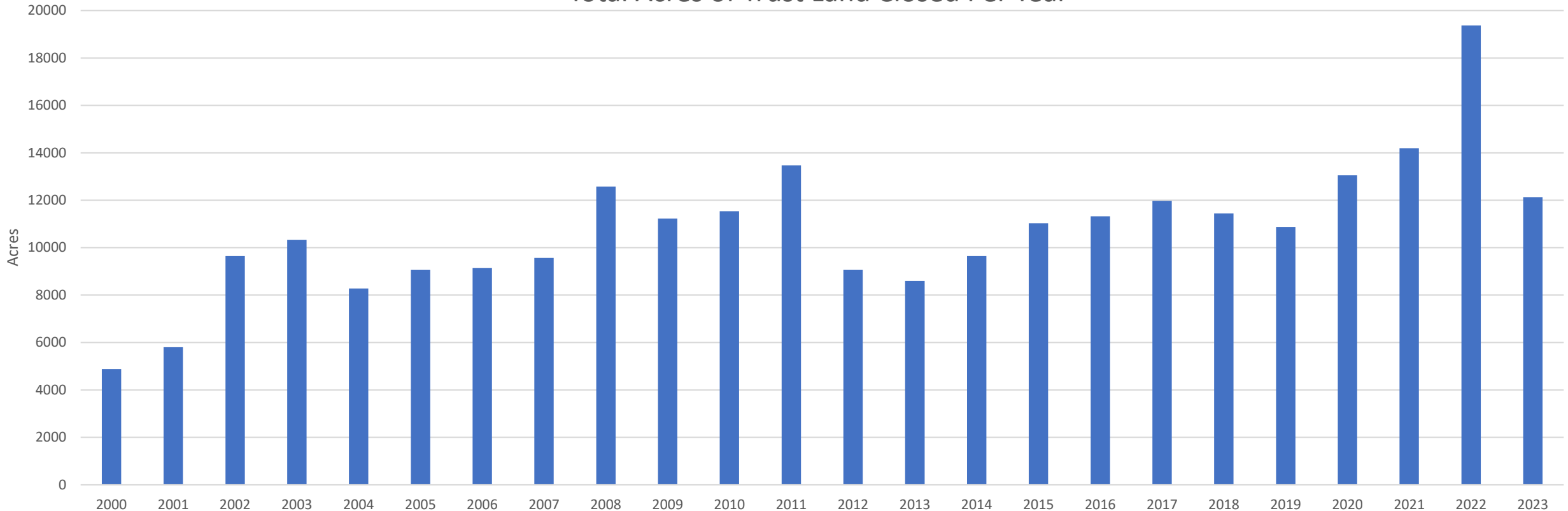
**1,085 SQUARE MILES OPEN TO PUBLIC ACCESS**  
(Roughly the size of Mercer County)

**19 SQUARE MILES CLOSED TO PUBLIC ACCESS**  
(Roughly the size of Williston city limits)

# SURFACE DIVISION – PUBLIC ACCESS

**37% YOY DECREASE IN CLOSED ACRES!  
FROM 19,372 ACRES TO 12,132 ACRES**

Total Acres of Trust Land Closed Per Year

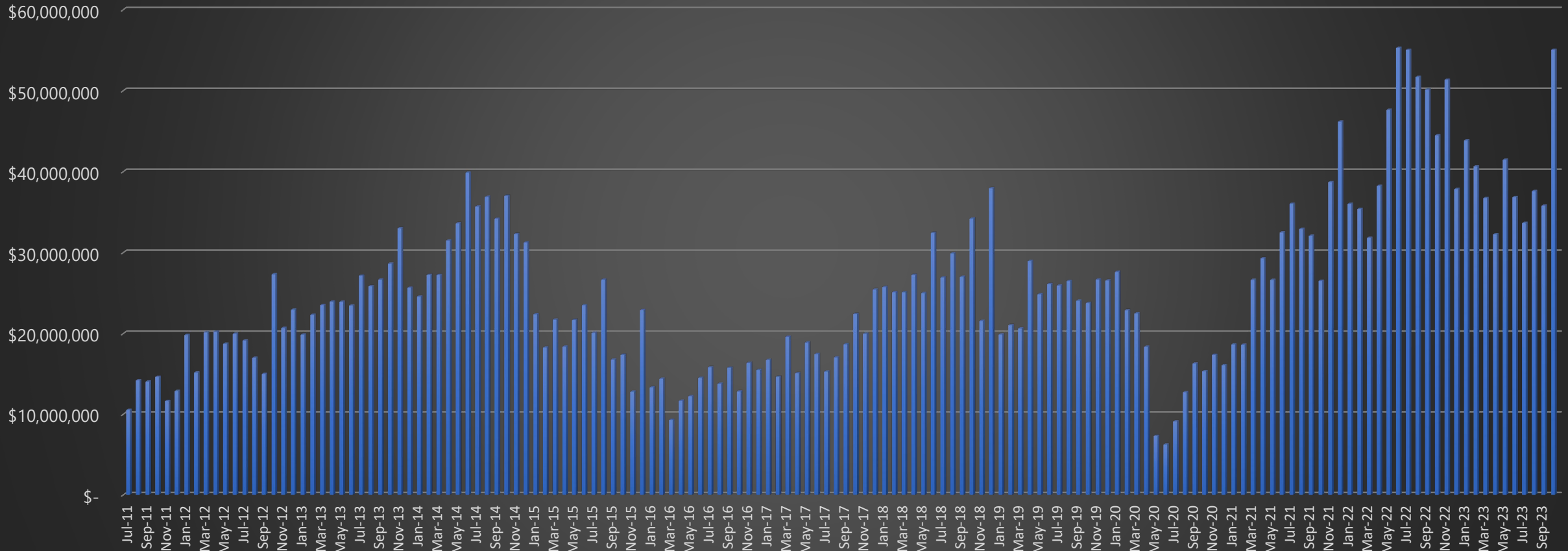


\*DTL has been working with Outdoor Interest Groups to understand their concerns about public access on trust lands.

# MINERALS DIVISION FISCAL YTD O/G ROYALTIES

As of October 31, 2023\*, for fiscal year 2023-24 the Department has received **\$162,135,639** in royalties as compared to **\$201,371,096** last fiscal year at this time. This is the second highest royalty reporting month on record at **\$55,062,056!**

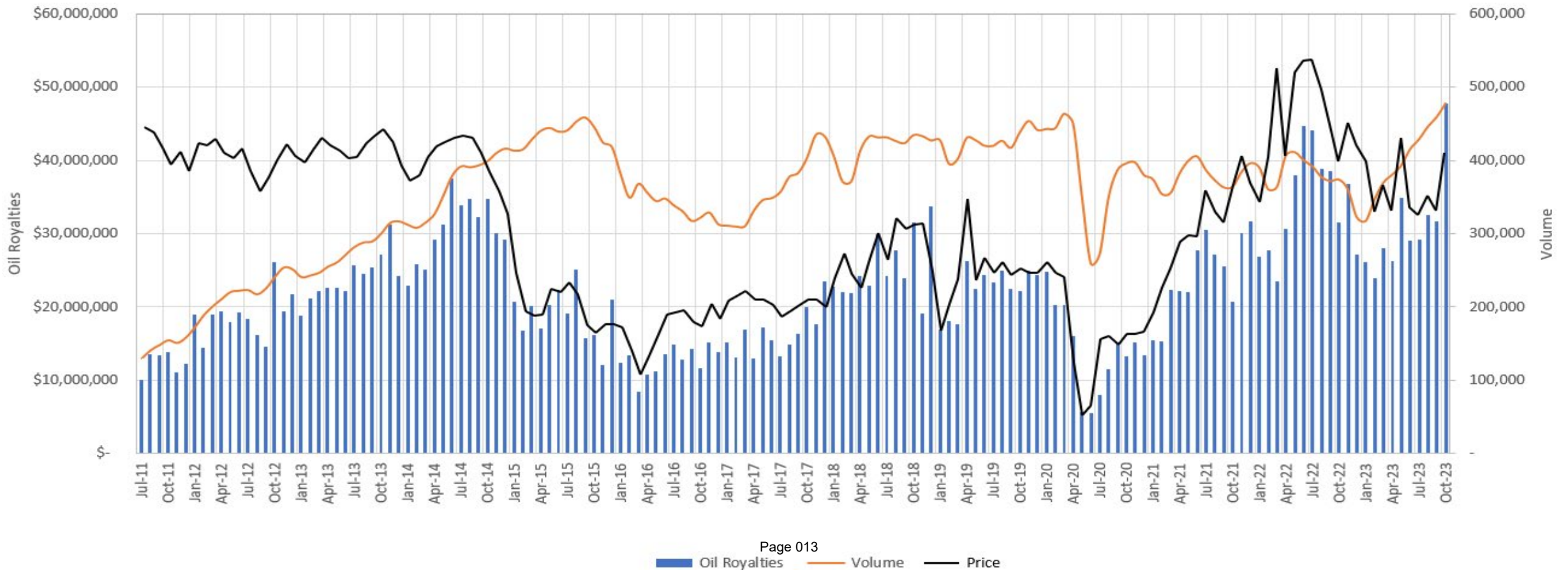
## ROYALTIES - CASH COLLECTED



\*October royalty revenue is from August gas production and September 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.

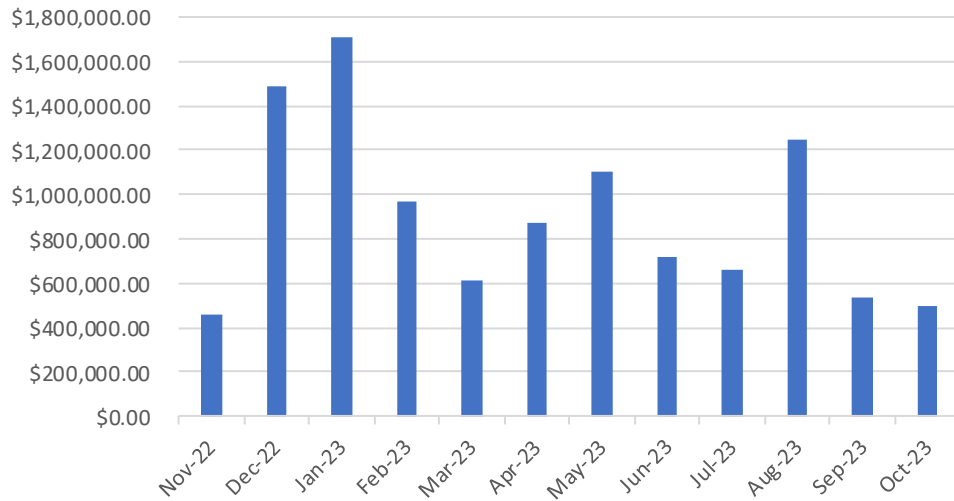


# UNCLAIMED PROPERTY DIVISION

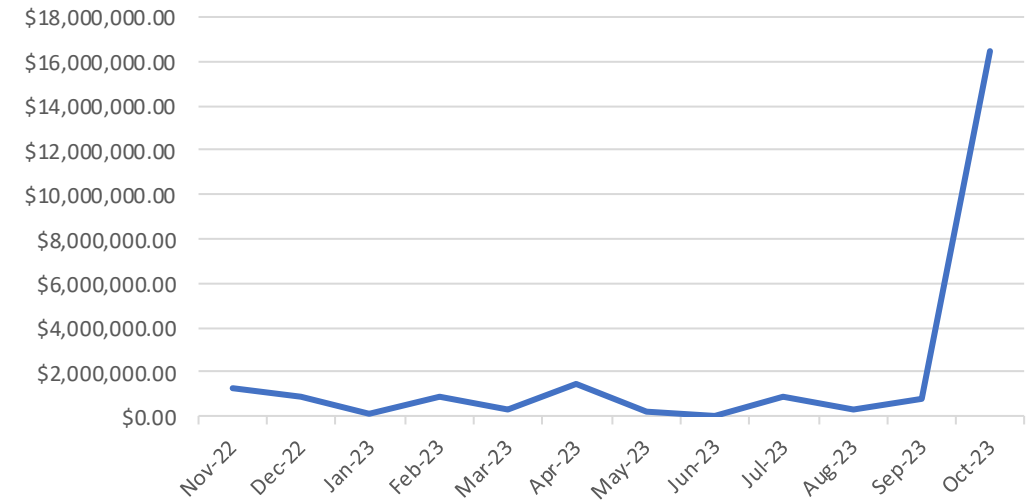
<https://unclaimedproperty.nd.gov>

For the month of October 2023, the Division paid 515 claims with \$495,259.69 returned to rightful owners/heirs. It also received 2051 holder reports with a dollar value of \$16,455,518.57\*.

TOTAL DOLLAR VALUE OF CLAIMS PAID



TOTAL VALUE OF PROPERTY REPORTED



**\*October 2023 is a record year for amount received in one month. (Previous record was October 2022 with \$14,509,987 received)**

**RE: Financial Statements Position Report (Unaudited) for period ended September 30, 2023  
(No Action Requested)**

The following statements represent the unaudited financial position for the various trusts and funds managed by the Department of Trust Lands. The unaudited financial positions are two months delayed as a significant portion of the revenue for Commons Schools Trust, Strategic Investment and Improvements Fund, and Coal Development Trust includes gross production tax, oil extraction tax and coal severance tax distributions which are received two months after production date.

NORTH DAKOTA  
BOARD OF UNIVERSITY AND SCHOOL LANDS

Financial Position Report  
(Unaudited)

For period ended September 30, 2023





<b>Board of University and School Lands</b>		
<b>Comparative Financial Position (Unaudited)</b>		
<b>Schedule of Net Assets</b>		
<b>Assets by Trust:</b>	September 30, 2023	September 30, 2022
Common Schools	\$6,179,365,271	\$5,516,003,943
North Dakota State University	93,046,102	83,819,533
School for the Blind	15,956,324	14,482,369
School for the Deaf	24,137,179	22,187,609
State Hospital	15,650,247	14,780,468
Ellendale *	30,283,357	26,764,271
Valley City State University	16,678,248	14,649,653
Mayville State University	12,176,245	10,731,837
Youth Correctional Center	33,454,573	29,715,642
State College of Science	22,377,228	20,505,366
School of Mines **	28,126,405	25,564,006
Veterans Home	5,792,783	5,442,863
University of North Dakota	45,845,587	40,541,288
Capitol Building	7,883,554	6,292,153
Strategic Investment and Improvements	1,077,793,639	967,035,699
Coal Development	72,802,035	70,852,196
Indian Cultural Education Trust	1,355,260	1,282,527
Theodore Roosevelt Presidential Library	52,725,763	50,483,394
Total	<u><u>\$7,735,449,800</u></u>	<u><u>\$6,921,134,816</u></u>
<b>Assets by Type:</b>		
Cash	\$314,913,459	\$525,976,572
Receivables	13,747,889	8,818,510
Investments ***	7,341,157,294	6,319,708,661
Office Building (Net of Depreciation)	192,805	235,778
Farm Loans	2,427,058	4,591,926
Energy Development Impact Loans	7,986,170	8,799,229
School Construction Loans (Coal)	31,533,123	26,935,398
Due From Other Trusts and Agencies	23,492,002	26,068,742
Total	<u><u>\$7,735,449,800</u></u>	<u><u>\$6,921,134,816</u></u>

**\* Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

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

**\*\* School of Mines**

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

**\*\*\* Investments**

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

## Board of University and School Lands

### Comparative Financial Position (Unaudited)

#### Common School Trust Fund

	September 30, 2023	September 30, 2022
<b>Balance Sheet</b>		
<b>Assets:</b>		
Cash	\$145,641,959	\$155,060,255
Interest Receivable	9,435,987	6,895,845
Investments	5,998,585,308	5,323,799,746
Farm Loans	2,235,199	4,229,491
Accounts Receivable	45	-
Due from Other Agencies	23,273,967	25,782,829
Office Building (Net of Depreciation)	192,805	235,778
Total Assets	\$6,179,365,270	\$5,516,003,944
<b>Liabilities:</b>		
Unclaimed Property Claimant Liability	\$27,981,664	\$22,357,233
Due to Other Funds	10,203	15,968
Accounts Payable	-	-
Total Liabilities	27,991,867	22,373,201
<b>Equity:</b>		
Fund Balance	6,216,075,300	5,655,342,237
Net Income/(Loss)	(64,701,897)	(161,711,494)
Total Liabilities and Equity	\$6,179,365,270	\$5,516,003,943
<b>Income Statement</b>		
<b>Income:</b>		
Investment Income	\$25,735,516	\$25,415,894
Realized Gain/(Loss)	(62,580,281)	22,279,843
Unrealized Gain/(Loss)	(25,758,518)	(243,871,844)
Royalties - Oil and Gas	20,157,224	39,724,101
Royalties - Coal	36,233	111,092
Royalties - Aggregate	-	7,230
Bonuses - Oil and Gas	504,435	880,267
Bonuses - Coal	-	-
Rents - Surface	1,130,964	1,487,926
Rents - Mineral	68,885	123,935
Rents - Coal	7,400	5,700
Rents - Office Building	-	-
Encumbrances - Surface	41,254	116,019
Sale of Capital Asset	-	-
Miscellaneous Income	-	50
Oil Extraction Tax Income	32,979,993	40,539,913
Unclaimed Property Income	98,156	290,130
Total Income	(7,578,739)	(112,889,744)
<b>Expenses and Transfers:</b>		
Investment Expense	888,322	1,442,451
In-Lieu and 5% County Payments	-	-
Administrative Expense	633,829	586,941
Operating Expense - Building	61,007	12,358
Transfers to Beneficiaries	55,540,000	46,780,000
Total Expense and Transfers	57,123,158	48,821,750
Net Income/(Loss)	(\$64,701,897)	(\$161,711,494)

**Board of University and School Lands**

**Comparative Financial Position (Unaudited)**

**Combined - Other Permanent Trusts**

	September 30, 2023	September 30, 2022
<b>Balance Sheet</b>		
<b>Assets:</b>		
Cash	\$23,009,140	\$20,399,932
Interest Receivable	638,918	493,281
Investments	319,684,362	287,929,257
Farm Loans	191,859	362,435
Accounts Receivable	-	-
<b>Total Assets</b>	<b>\$343,524,279</b>	<b>\$309,184,905</b>
<b>Liabilities:</b>		
Due to Other Funds	873	1,366
Accounts Payable	-	-
<b>Total Liabilities</b>	<b>873</b>	<b>1,366</b>
<b>Equity:</b>		
Fund Balance	345,030,863	316,615,628
Net Income/(Loss)	(1,507,457)	(7,432,089)
<b>Total Liabilities and Equity</b>	<b>\$343,524,279</b>	<b>\$309,184,905</b>
<b>Income Statement</b>		
<b>Income:</b>		
Investment Income	\$1,604,481	1,421,264
Realized Gain/(Loss)	(3,502,780)	1,206,374
Unrealized Gain/(Loss)	(1,438,984)	(13,104,370)
Royalties - Oil and Gas	1,859,270	3,079,216
Royalties - Coal	12,490	5,370
Royalties - Aggregate	-	401
Bonuses - Oil and Gas	43,618	63,525
Bonuses - Coal	-	-
Rents - Surface	297	15,901
Rents - Mineral	4,326	4,476
Rents - Coal	401	(8,895)
Encumbrances - Surface	-	-
Sale of Capital Asset	-	-
Miscellaneous Income	-	-
<b>Total Income</b>	<b>(1,416,881)</b>	<b>(7,316,738)</b>
<b>Expenses and Transfers:</b>		
Investment Expense	49,817	13,112
In-Lieu and 5% County Payments	-	446
Administrative Expense	40,759	101,793
Transfers to Beneficiaries	-	-
<b>Total Expense and Transfers</b>	<b>90,576</b>	<b>115,351</b>
<b>Net Income/(Loss)</b>	<b>(\$1,507,457)</b>	<b>(\$7,432,089)</b>

## Board of University and School Lands

### Comparative Financial Position (Unaudited)

#### Coal Development Trust

	September 30, 2023	September 30, 2022
<b>Balance Sheet</b>		
<b>Assets:</b>		
Cash	\$586,925	\$886,417
Interest Receivable	186,381	149,962
Investments	32,291,401	33,795,278
Coal Impact Loans	7,986,170	8,799,229
School Construction Loans	31,533,123	26,935,398
Due from other Trusts and Agencies	218,035	285,913
Total Assets	\$72,802,035	\$70,852,197
<b>Liabilities:</b>		
Due to Other Trusts and Agencies	\$152,624	\$200,139
<b>Equity:</b>		
Fund Balance	71,822,635	70,463,180
Net Income	826,776	188,878
Total Liabilities and Equity	\$72,802,035	\$70,852,197
<b>Income Statement</b>		
<b>Income:</b>		
Investment Income	\$209,133	\$105,203
Interest on School Construction Loans	18,198	105,985
Realized Gain/(Loss)	100,380	(1,862)
Unrealized Gain/(Loss)	398,812	(147,196)
Coal Severance Tax Income	103,398	126,446
Total Income	829,921	188,576
<b>Expenses and Transfers:</b>		
Investment	3,145	(302)
Administrative	-	-
Transfers to General Fund	-	-
Total Expense and Transfers	3,145	(302)
Net Income/(Loss)	\$826,776	\$188,878

**Board of University and School Lands**

**Comparative Financial Position (Unaudited)**

**Capitol Building Trust**

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<b>Balance Sheet</b>		
<b>Assets:</b>		
Cash	\$2,685,640	\$1,614,365
Interest Receivable	53,367	25,073
Investments	5,144,547	4,652,714
Accounts Receivable	-	-
<b>Total Assets</b>	<b><u>\$7,883,554</u></b>	<b><u>\$6,292,152</u></b>
<b>Liabilities:</b>		
Due to Other Trusts and Agencies	\$0	\$0
Accounts Payable	-	-
<b>Total Liabilities</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>Equity:</b>		
Fund Balance	7,480,759	6,772,499
Net Income	402,795	(480,347)
<b>Total Liabilities and Equity</b>	<b><u>\$7,883,554</u></b>	<b><u>\$6,292,152</u></b>
<b>Income Statement</b>		
<b>Income:</b>		
Investment Income	\$81,266	\$18,624
Realized Gain(Loss)	25,524	(258)
Unrealized Gain/(Loss)	101,408	(22,461)
Royalties - Oil and Gas	199,708	531,266
Bonuses - Oil and Gas	-	-
Bonus - Coal	-	-
Rents - Surface	(334)	(1,011)
Rents - Mineral	802	802
Encumbrances - Surface	-	-
Royalties - Aggregate	-	-
<b>Total Income</b>	<b><u>408,374</u></b>	<b><u>526,962</u></b>
<b>Expenses and Transfers:</b>		
Investment Expense	800	40
In-Lieu and 5% County Payments	-	-
Administrative Expense	4,779	7,269
Transfers to Facility Management	-	1,000,000
Transfers to Legislative Council	-	-
Transfer to Supreme Court	-	-
<b>Total Expense and Transfers</b>	<b><u>5,579</u></b>	<b><u>1,007,309</u></b>
<b>Net Income/(Loss)</b>	<b><u>\$402,795</u></b>	<b><u>(\$480,347)</u></b>

## Board of University and School Lands

### Comparative Financial Position (Unaudited)

#### Strategic Investment and Improvements Fund

September 30, 2023

September 30, 2022

#### **Balance Sheet**

##### **Assets:**

Cash	\$142,976,000	\$347,994,892
Accounts Receivable	26	-
Interest Receivable	3,488,154	1,307,064
Investments	931,329,459	617,733,741
Due from other Trusts or Agencies	-	-
Total Assets	\$1,077,793,639	\$967,035,697

##### **Liabilities:**

Accounts Payable	\$0	\$0
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##### **Equity:**

Fund Balance	1,650,446,275	1,045,209,177
Net Income	(572,652,636)	(78,173,480)
Total Liabilities and Equity	\$1,077,793,639	\$967,035,697

#### **Income Statement**

##### **Income:**

Investment Income	\$3,216,680	\$1,532,097
Realized Gain/(Loss)	1,635,597	(30,756)
Unrealized Gain/(Loss)	6,498,267	(3,002,676)
Interest on Fuel Prod Facility	55,687	51,491
Interest - Miscellaneous	5,501,606	918,506
Interest and Penalty	374,382	5,783
Royalties - Oil and Gas	28,386,818	38,579,302
Bonuses - Oil and Gas	131,130	5,531,352
Royalties - Coal	14,668	17,243
Rents - Mineral	18,300	94,491
Tax Income - Oil Extraction & Production Distribution	-	83,390,903
Total Income	45,833,135	127,087,736

##### **Expenses and Transfers:**

Administrative	223,223	176,985
Investment Expense	51,245	13,176
Transfers to General Fund	25,000,000	205,000,000
Transfer to/from Other Agencies	622,685,391	71,055
Transfer from Legacy Fund (HB 1379)	(29,474,088)	-
Total Expense and Transfers	618,485,771	205,261,216
Net Income/(Loss)	(\$572,652,636)	(\$78,173,480)

As of September 30, 2023 the SIIF had a fund balance of \$1,077,793,639. The fund balance is made up of two parts:

- (1) The committed fund balance is a portion of the fund set aside for potential title disputes in the amount of \$50,751,932; and
- (2) The committed fund balance appropriated by the legislature in the amount of \$1,303,273,373. 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 \$397,522,216 as of September 30, 2023.

**STRATEGIC INVESTMENT AND IMPROVEMENTS FUND**

**APPROPRIATION STATUS**

	<i>Appropriated</i>	<i>Amount Transferred</i>	<i>Remaining Appropriation Available</i>
<b><u>2019 Legislative Session:</u></b>			
SB 2296 - Bank of North Dakota	\$7,777,562	\$0	\$7,777,562
SB 2012 - Dept of Health & Human Services	1,776,000	-	1,776,000
<b><u>2021 Legislative Session:</u></b>			
SB 2230 - Bank of North Dakota	30,000,000	-	30,000,000
<b><u>2023 Legislative Session:</u></b>			
HB 1003 - ND University System (Capitol Proj Tier I)	209,976,971	-	209,976,971
HB 1003 - Bank of ND (Economic Research)	5,500,000	-	5,500,000
HB 1003 - ND University System (Capitol Proj Tier II)	23,931,509	23,931,509	-
HB 1012 - Dept of Transportation	179,000,000	179,000,000	-
HB 1014 - Industrial Commission - O&G Researc Fund (leak detection)	3,000,000	-	3,000,000
HB 1014 - Industrial Commission - Clean Energy Fund (clean energy)	30,000,000	-	30,000,000
HB 1014 - Industrial Commission - Clean Energy Fund (repay LOC & loans)	30,000,000	30,000,000	-
HB 1014 - Industrial Commission - Energy Research Center (rare earth mineral study)	1,500,000	-	1,500,000
HB 1014 - Industrial Commission - Energy Research Center (underground storage)	6,000,000	-	6,000,000
HB 1015 - Dept of Corrections & Rehab (women's prison)	135,057,000	-	135,057,000
HB 1018 - Dept of Commerce (Legacy Investment Technology Fund/Loans)	10,000,000	5,000,000	5,000,000
HB 1018 - Dept of Commerce (Development Fund)	65,000,000	65,000,000	-
HB 1018 - Dept of Commerce	26,000,000	2,000,000	24,000,000
HB 1019 - Department of Career and Technical Education	500,000	-	500,000
HB 1020 - Upper Great Plains Transportation Institute	93,732,600	93,300,000	432,600
HB 1021 - Information Technology Department	15,000,000	15,000,000	-
HB 1040 - Public Employees Retirement System Fund	135,000,000	135,000,000	-
HB 1480 - Pay for Success Fund	2,500,000	-	2,500,000
HB 1519 - Dept of Career & Technical Education (admin grant program)	12,500	-	12,500
HB 1519 - Agricultural Commissioner (admin grant program)	12,500	-	12,500
SB 2002 - Secretary of State (IT Projects)	1,500,000	-	1,500,000
SB 2009 - Ag Commissioner (Bioscience Innovation Grant Fund)	5,500,000	5,500,000	-
SB 2009 - Ag Commissioner (Grasslands Grazing Grants)	1,000,000	1,000,000	-
SB 2012 - Human Service Finance Fund	26,950,000	-	26,950,000
SB 2012 - Division of Health and Human Services	25,235,154	-	25,235,154
SB 2013 - Dept of Public Instruction (integrated forumla pmts & passthrough grants)	19,493,086	-	19,493,086
SB 2015 - Dept of Health & Human Services (Behavioral Health Facility Grant)	8,250,000	-	8,250,000
SB 2015 - Dept of Career and Technical Education (Grants)	26,500,000	6,003,882	20,496,118
SB 2015 - OMB - State General Fund	50,000,000	25,000,000	25,000,000
SB 2015 - ND Development Fund	30,000,000	30,000,000	-
SB 2015 - Deferred Maintenance Funding Pool	20,000,000	-	20,000,000
SB 2018 - State Historical Society	3,550,000	-	3,550,000
SB 2019 - ND Parks & Recreation Department	26,950,000	26,950,000	-
SB 2242 - Bank of North Dakota (Bulk Propane Storage Loan Fund)	5,000,000	5,000,000	-
	<b>\$1,261,204,882</b>	<b>\$647,685,391</b>	<b>\$613,519,491</b>

## Board of University and School Lands

### Comparative Fiduciary Statements (Unaudited)

#### Indian Cultural Trust

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<b><u>Fiduciary Net Position</u></b>		
<b>Assets:</b>		
Cash	\$2,845	\$424
Interest receivable	1,912	1,135
Investments	1,350,503	1,280,968
Total Assets	\$1,355,260	\$1,282,527
<b>Liabilities:</b>		
Accounts payable	-	-
Total Liabilities	-	-
<b>Net Position:</b>		
Net position restricted	1,355,260	1,282,527
Total Net Position	\$1,355,260	\$1,282,527
<b><u>Changes in Fiduciary Net Position</u></b>		
<b>Additions:</b>		
Contributions:		
Donations	\$0	\$0
Total Contributions	-	-
Investment Income:		
Net change in fair value of investments	(23,581)	(52,927)
Interest	6,448	5,998
Less investment expense	236	342
Net Investment Income	(17,369)	(47,271)
Miscellaneous Income	-	-
Total Additions	(17,369)	(47,271)
<b>Deductions:</b>		
Payments in accordance with Trust agreement	-	-
Administrative expenses	-	-
Total Deductions	-	-
Change in net position held in Trust for:		
Private-Purpose	(17,369)	(47,271)
Total Change in Net Position	(17,369)	(47,271)
Net Position - Beginning of Fiscal Year	\$1,372,629	\$1,329,798
Net Position - End of Month	\$1,355,260	\$1,282,527
Net Position - End of Fiscal Year		\$1,372,629



## Board of University and School Lands

### Comparative Fiduciary Statements (Unaudited)

#### Theodore Roosevelt Presidential Library

	September 30, 2023	September 30, 2022
<b><u>Fiduciary Net Position</u></b>		
<b>Assets:</b>		
Cash	\$10,950	\$20,287
Interest receivable	(56,899)	(53,851)
Investments	52,771,712	50,516,958
Total Assets	\$52,725,763	\$50,483,394
<b>Liabilities:</b>		
Accounts payable	-	-
Total Liabilities	-	-
<b>Net Position:</b>		
Net position restricted	52,725,763	50,483,394
Total Net Position	\$52,725,763	\$50,483,394
<b><u>Changes in Fiduciary Net Position</u></b>		
<b>Additions:</b>		
Contributions:		
Donations	\$0	\$0
Total Contributions	-	\$0
Investment Income:		
Net change in fair value of investments	(322,829)	(2,083,143)
Interest	87,772	235,987
Less investment expense	3,239	13,476
Net Investment Income	(238,296)	(1,860,632)
Miscellaneous Income	139	80
Total Additions	(238,157)	(1,860,552)
<b>Deductions:</b>		
Payments in accordance with Trust agreement	-	-
Administrative expenses	-	-
Total Deductions	-	-
Change in net position held in Trust for:		
Private-Purpose	(238,157)	(1,860,552)
Total Change in Net Position	(238,157)	(1,860,552)
Net Position - Beginning of Fiscal Year	\$52,963,920	\$52,343,946
Net Position - End of Month	\$52,725,763	\$50,483,394
Net Position - End of Fiscal Year		\$52,963,920

**RE: Executive Estimate of Board Assets  
(No Action Requested)**

EXECUTIVE ESTIMATE OF ASSETS  
NORTH DAKOTA DEPARTMENT OF TRUST LANDS  
As of October 31, 2023

	10/31/2023 Value	MOM\$ 9/30/2023 Value	MOM% Change	YOY\$ 10/31/2022 Value	YOY% Change
Cash	205,468,214	315,029,685		479,100,283	
Investments <sup>[1]</sup>	7,219,172,566	7,469,299,644		6,382,912,473	
Tax Receivables <sup>[2]</sup>	-	-		-	
Loans <sup>[3]</sup>	37,814,668	37,852,402		40,486,644	
Receivables <sup>[4]</sup>	9,207,142	12,737,419		8,885,506	
<b>Sub-Total Net Assets</b>	<b>\$7,471,662,591</b>	<b>7,834,919,151</b>	<b>-4.64%</b>	<b>\$6,911,384,906</b>	<b>8.11%</b>
Mineral Rights <sup>[5]</sup>	2,568,614,367	2,568,614,367		2,813,480,347	
Surface Rights <sup>[6]</sup>	518,077,274	518,077,274		511,088,869	
Building Value <sup>[7]</sup>	1,015,196	1,015,196		1,015,196	
<b>Total Net Assets</b>	<b>\$10,559,369,428</b>	<b>\$10,922,625,988</b>	<b>-3.33%</b>	<b>\$10,236,969,318</b>	<b>3.15%</b>

[1] Approximately 60% of the portfolio is publicly traded for which values are current to the as of date. The remaining 40% is private assets, the values of which are updated as the managers provide them, typically 30-60 days after the end of each quarter.

[2] Estimated value of production, extraction, and severance tax payments not yet received by the Department because they are not distributed until two months after production date.

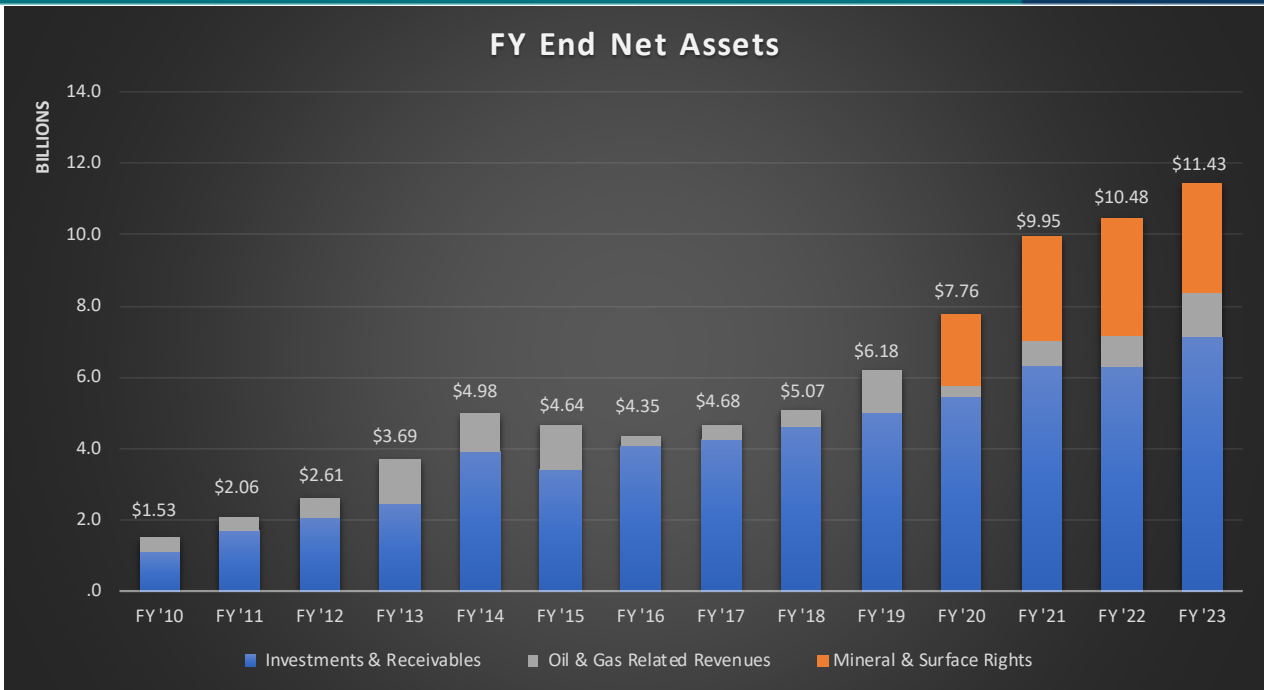
[3] Various loan programs funded with trust assets.

[4] Loans and investments interest accrued, but not yet paid.

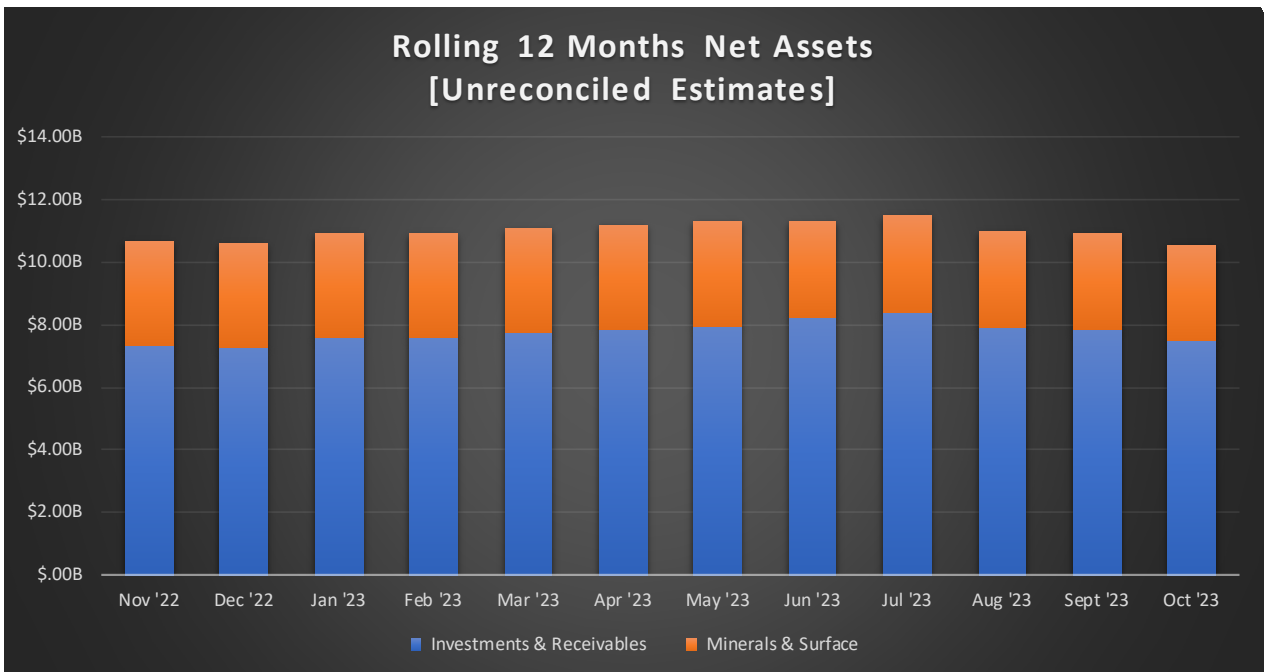
[5] Valued annually via contract with Mineral Tracker. Valuation as of June 30, 2023.

[6] Valued annually via Department fair market value policy. Valuation as of March 2023, based off agricultural values.

[7] Updated every other year via broker price opinion. Listed valuation is as of Sept. 15, 2022.



[1] FY 2023 includes mineral rights value of \$2,568,614,367, appraised building value of \$1,015,196 and surface rights value of \$518,077,274



[1] Jun 2023 includes mineral rights value of \$2,568,614,367  
 [2] Sep 2022 includes appraised building value of \$1,015,196  
 [3] Mar 2023 includes surface rights value of \$518,077,274

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

**Q4-Q1 Pipeline**

Private Credit: diversified private credit recommendation

Public Credit: core fixed income recommendation

Private Equity: venture capital recommendation

**Capital Calls Funded and Pending:**

2023 Q1 \$15.9M

2023 Q2 \$19.1M

2023 Q3 \$24.0M

2023 Q4 \$9.6M

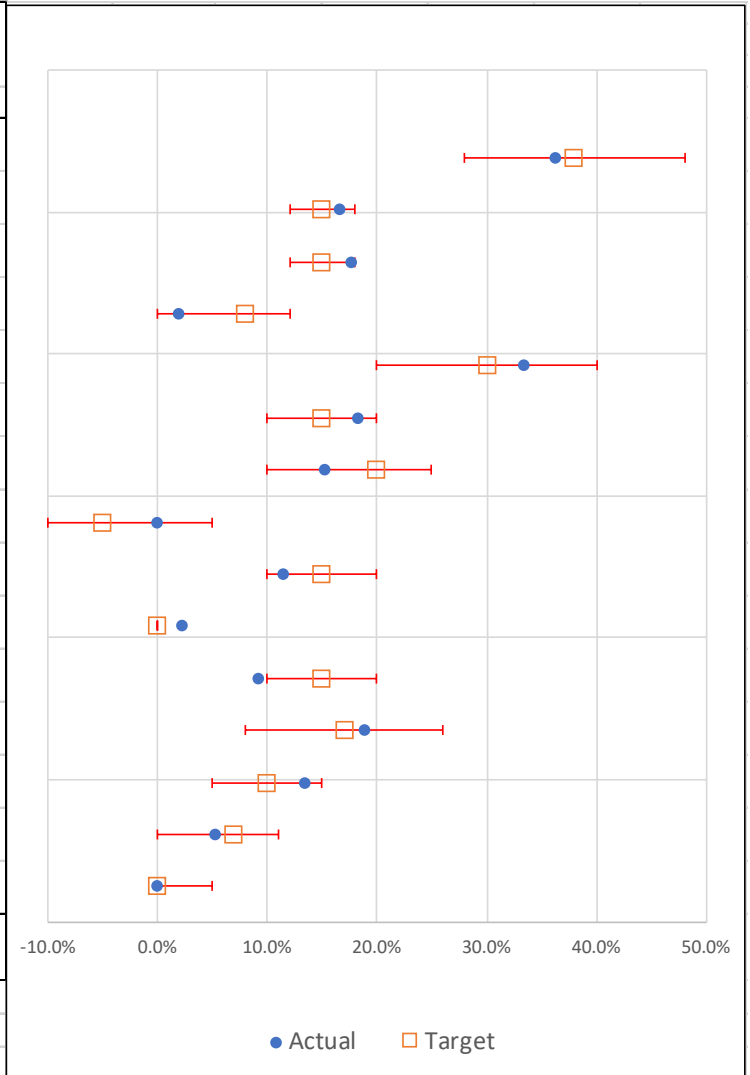
2023 YTD \$68.6M

**Total Unfunded Commitments Remaining \$460.5M (as of October 31, 2023):**

1. Private Credit, \$71.8M
  - i. *Ares Pathfinder Fund, \$26.8M*
  - ii. *Owl Rock Diversified Lending, \$45M*
  
2. Private Equity, \$232.7M
  - i. *GCM Grosvenor Private Equity, \$90M*
  - ii. *GCM Grosvenor Secondary Opportunities Fund III, \$98M*
  - iii. *Morgan Stanley Ashbridge TS Fund II, \$11.5M*
  - iv. *Khosla Ventures, \$33.2M*
  
3. Real Assets, \$6M
  - i. *Hamilton Lane Infrastructure Opportunities Fund, \$6M*
  
4. Absolute Return, \$150M
  - i. *Millennium USA, \$150M*

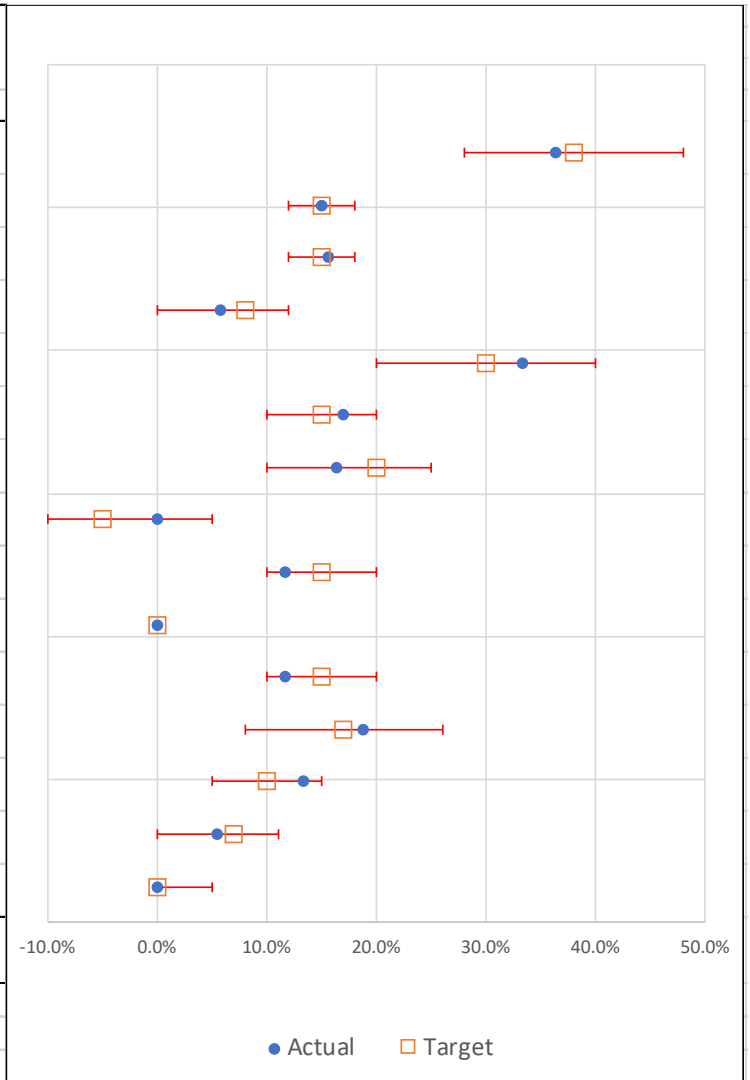
**Current Asset Allocation (unaudited)**

As of	Market Value	Actual	Target	Lower Range	Upper Range
October 31, 2023	\$	●	□	└	┘
<b>Equity</b>	<b>2,275,221,621</b>	<b>36.3%</b>	<b>38.0%</b>	<b>28.0%</b>	<b>48.0%</b>
<i>Broad US Equity</i>	1,039,905,704	16.6%	15.0%	12.0%	18.0%
<i>Broad Int'l Equity</i>	1,110,118,373	17.7%	15.0%	12.0%	18.0%
<i>Private Equity</i>	125,197,544	2.0%	8.0%	0.0%	12.0%
<b>Fixed Income</b>	<b>2,097,364,867</b>	<b>33.4%</b>	<b>30.0%</b>	<b>20.0%</b>	<b>40.0%</b>
<i>Public Credit</i>	1,145,508,755	18.3%	15.0%	10.0%	20.0%
<i>Private Credit</i>	951,856,112	15.2%	20.0%	10.0%	25.0%
<i>Cash / (Implied Leverage)</i>	-	0.0%	-5.0%	-10.0%	5.0%
<b>Absolute Return</b>	<b>718,883,979</b>	<b>11.5%</b>	<b>15.0%</b>	<b>10.0%</b>	<b>20.0%</b>
<i>Global Tactical Asset Allocation</i>	141,051,032	2.2%	0.0%	0.0%	0.0%
<i>Multi-Strategy Hedge Fund</i>	577,832,947	9.2%	15.0%	10.0%	20.0%
<b>Real Assets</b>	<b>1,180,432,641</b>	<b>18.8%</b>	<b>17.0%</b>	<b>8.0%</b>	<b>26.0%</b>
<i>Real Estate</i>	845,268,222	13.5%	10.0%	5.0%	15.0%
<i>Private Infrastructure</i>	335,164,419	5.3%	7.0%	0.0%	11.0%
<b>Opportunistic Investments</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>
<b>Portfolio Total</b>	<b>6,271,903,109</b>	<b>100.0%</b>			



**Hypothetical Asset Allocation (after funding all commitments)**

As of	Market Value	Actual	Target	Lower Range	Upper Range
October 31, 2023	\$	●	□	└	┘
<b>Equity</b>	<b>2,275,221,621</b>	<b>36.3%</b>	<b>38.0%</b>	<b>28.0%</b>	<b>48.0%</b>
<i>Broad US Equity</i>	941,905,704	15.0%	15.0%	12.0%	18.0%
<i>Broad Int'l Equity</i>	975,418,373	15.6%	15.0%	12.0%	18.0%
<i>Private Equity</i>	357,897,544	5.7%	8.0%	0.0%	12.0%
<b>Fixed Income</b>	<b>2,088,415,899</b>	<b>33.3%</b>	<b>30.0%</b>	<b>20.0%</b>	<b>40.0%</b>
<i>Public Credit</i>	1,064,759,787	17.0%	15.0%	10.0%	20.0%
<i>Private Credit</i>	1,023,656,112	16.3%	20.0%	10.0%	25.0%
<i>Cash / (Implied Leverage)</i>	-	0.0%	-5.0%	-10.0%	5.0%
<b>Absolute Return</b>	<b>727,832,947</b>	<b>11.6%</b>	<b>15.0%</b>	<b>10.0%</b>	<b>20.0%</b>
<i>Global Tactical Asset Allocation</i>	-	0.0%	0.0%	0.0%	0.0%
<i>Multi-Strategy Hedge Fund</i>	727,832,947	11.6%	15.0%	10.0%	20.0%
<b>Real Assets</b>	<b>1,180,432,641</b>	<b>18.8%</b>	<b>17.0%</b>	<b>8.0%</b>	<b>26.0%</b>
<i>Real Estate</i>	839,268,222	13.4%	10.0%	5.0%	15.0%
<i>Private Infrastructure</i>	341,164,419	5.4%	7.0%	0.0%	11.0%
<b>Opportunistic Investments</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>
<b>Portfolio Total</b>	<b>6,271,903,109</b>	<b>100.0%</b>			



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**  
 November 30, 2023

**RE: Private Equity – GP-led Secondaries**

The current 5.7% private equity commitment represents a \$140M underweight to the 8% long term strategic asset allocation target. The goal of this proposal is to increase the private equity commitment, consistent with strategic asset allocation targets.

Staff recommends allocating to GP-led secondaries within the private equity portfolio. Single asset continuation vehicles are a relatively nascent and growing subcategory of private equity where funds have reached the wind down phase and sponsors seek to extend ownership of certain assets. Sponsors have worked with these businesses for years and believe a longer time horizon can benefit the value creation process through add-on acquisitions and potential tailwinds to effectuate a timely exit. To align incentives, sponsors will roll their earned compensation (carry) into the deals. Continuation fund managers can cherry-pick trophy assets – high-performing, de-risked businesses with shorter runways to liquidity – from sponsor portfolios and offer ownership extension in exchange for a discounted entry NAV. The industry is undercapitalized and therefore currently in a buyer’s market. Exits are typically expected within 3-5 years. A shorter time horizon leads to higher expected IRRs but lower expected multiples than traditional primary fund investing.

Staff and RVK recommend a commitment to Blue Owl Strategic Equity (BOSE). Blue Owl is a publicly traded (NYSE: OWL) global alternative asset manager with over 650 employees and \$157B in assets across three divisions - \$79.5B in direct lending (Owl Rock), \$51.4 in GP capital solutions (Dyal Capital) and \$25.9B in real estate (Oak Street). The GP capital solutions (70+ partnerships) and direct lending (650+ relationships) businesses create synergies for BOSE deal sourcing and underwriting.

BOSE is offering a portion of the management company economics for early investors. The fund seeks to make 12-15 single asset, GP-led continuation fund transactions, diversified across sectors and sponsor relationships. The fund will invest in developed markets (North America and Western Europe) with a 5-year investment period and 8-year fund life.

**Recommendation: The Board approve a \$25-50M commitment to Blue Owl Strategic Equity, subject to standard legal review/documentation.**

- Attachment 1: RVK Executive Summary
- Attachment 2: Blue Owl Presentation

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

## *BLUE OWL STRATEGIC EQUITY LP*

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# Executive Summary of the Investment Opportunity

## FIRM & FUND SUMMARY

Blue Owl Capital is an American alternative investment asset management company. The company is headquartered in New York City with additional offices in Hong Kong, Singapore, and seven other locations. The Firm manages approximately \$150 billion in assets as of June 30, 2023, across three platforms: credit, general partner strategic capital, and real estate. Within these strategies, Blue Owl offers alternative investment strategies to institutional and individual investors. The Firm focuses on delivering consistent performance, strong risk-adjusted returns, and capital preservation. Blue Owl is led by co-chief executive officers, Doug Ostrover and Marc Lipschultz.

Blue Owl is currently raising the Firm's first secondaries fund, Blue Owl Strategic Equity LP ("BOSE", "Fund I", or "the Fund"). BOSE will target single and multi-asset transactions in general partner-led secondaries and direct private equity investments, ultimately constructing a multi-sector, multi-sponsor portfolio of private equity portfolio companies. These assets are frequently the most attractive assets in a given private equity fund, and are selected by the general partner and Blue Owl in tandem based on their strong growth prospects and the general partner's desire to remain invested due to high future returns. The sponsor seeks to extend their investment timeline, potentially increasing the ultimate return of the assets while Blue Owl provides capital to allow limited partners to realize their investment while the general partner and some limited partner remain invested through a continuation vehicle.

BOSE will invest in the most attractive transactions sourced from across Blue Owl's platform; the Firm's credit and general partner stakes investments are expected to generate deal flow for BOSE due to the acute need for capital in general partner-led secondaries. The Fund will be led by Chris Crampton, Strategic Equity Portfolio Manager. Blue Owl expects The Fund will hold its first close in the fourth quarter of 2023 or the first quarter of 2024.

## INVESTMENT RECOMMENDATION

RVK, Inc. recommends that North Dakota Board of University and School Lands invest between \$25 million and \$50 million in Blue Owl Strategic Partners as the Fund represents an attractive opportunity to access general partner-led secondaries and other related private equity investments. The Fund is led by a six member investment committee who have diverse backgrounds with investing experience through multiple business and market cycles.

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. Blue Owl Strategic Equity Partners has access to Blue Owl's resources, relationships, and expertise which RVK believes affords it a distinct and sustainable advantage in general partner-led secondaries. Relative to other general partner-led secondaries alternatives, RVK believes Blue Owl's complimentary credit





and general partner stakes businesses, long tenured professionals, and internal expertise are likely to continue to drive value creation.

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 Blue Owl Strategic Equity Partners LP. Specific risks of an investment in Blue Owl Strategic Equity include lack of substantial track record, the presence of other general partner-led strategies in the market, and other items detailed in RVK's full report.

## PORTFOLIO CONTEXT

Blue Owl Strategic Equity will provide exposure to secondary investments in leveraged buyouts across multiple sectors, geographies, and sponsors. Secondaries allocations compliment core private equity exposure to primary investments in buyouts, growth, and venture capital through greater flexibility and the ability to take greater advantage of capital imbalances in private markets. BOSE represents concentrated secondaries exposure and will occupy the secondaries allocation of most portfolios though the Fund's target portfolio will look similar to many multi-sector buyout funds. Since BOSE is a general partner-led strategy, Blue Owl Strategic Equity is well suited to complement other secondaries funds that focus on limited partner interests or other, more diversified strategies.

# Blue Owl Strategic Equity

North Dakota Board of University and  
School Lands



**Chris Crampton**

## **Managing Director, Head of Strategic Equity**

- Chris Crampton is a Managing Director at Blue Owl and the Head of Strategic Equity. Previously, Chris was a Partner at Goldman, Sachs & Co. (“Goldman”) where he was the head of Services private equity investing and prior to that led Industrials private equity investing in the Merchant Banking and Asset Management Divisions. While at Goldman, he was a member of the Global Corporate Equity Investment Committee and Growth Sub-Investment Committee and represented Goldman on various corporate boards. Prior to Goldman, Chris worked in the investment banking group at Deutsche Bank Securities.

Chris serves on the board of the ‘Sconset Trust, a non-profit committed to land conservation, historical preservation, and related educational and recreational initiatives in Siasconset, Massachusetts. Chris received an AB degree in History from Princeton University.



**Colin Vick**

## **Principal, Institutional Business Development**

- Colin Vick is a Principal at Blue Owl and member of the Institutional Business Development Team. In his role, Colin focuses on North American institutions and consultants.

Before joining Blue Owl, Colin was a Director at GoldenTree Asset Management, a credit firm based in New York, where he worked with U.S. and Canadian institutions and family offices. Prior to that, he was an Associate at Blackstone in the Hedge Funds Solutions Group (BAAM).

Colin received his BS in Economics from the University of Wisconsin - Madison.

# About Blue Owl

Blue Owl is a leading asset manager that is redefining alternatives



## Firm Overview

- We offer investors differentiated investment opportunities that aim to deliver strong performance, risk-adjusted returns, and capital preservation
- Our Credit platform, fka Owl Rock, is a partner of choice for private equity-sponsored, middle- and upper-middle market companies seeking creative, customized financing across the capital structure
- Our GP Strategic Capital platform, fka Dyal Capital, has been at the forefront of providing innovative long-term minority equity and financing solutions for more than a decade
- Our Real Estate platform, fka Oak Street, is a leader in private equity real estate, offering flexible and bespoke capital solutions to investment-grade and creditworthy tenants

## Blue Owl Assets Under Management



**\$157B**

AUM

NYSE:  
**OWL**

**BBB**  
from S&P  
and Fitch<sup>1</sup>

Over  
**650**  
employees

Headquartered in  
**New York**  
with 10 other offices

As of September 30, 2023.

1. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. For complete ratings definitions please visit [www.standardandpoors.com](http://www.standardandpoors.com), [www.moodys.com](http://www.moodys.com), and [www.krollbondratings.com](http://www.krollbondratings.com).

# GP-led Secondaries Opportunity with Seed Economics



We believe the opportunity rich environment for GP-led secondaries, coupled with the Blue Owl edge in pursuing private equity investments make Strategic Equity an attractive area of partnership between Blue Owl and North Dakota Board of University and School Lands (“NDBUSL”)

## GP-led Secondary Opportunity

- Robust private equity growth over the past decade, a constrained exit environment, and a desire among the private equity sponsor community to continue to own their best performing assets underpins the growing demand for GP-led secondaries
- With a backlog of companies approaching monetization and requiring liquidity, and with many institutional investors overallocated to private equity, GP-led secondary technology provides utility to all corners of the private equity ecosystem

## Blue Owl Competitive Advantage

- As a partner of choice for sponsors, Blue Owl is uniquely positioned to provide this capital to sponsors while enabling LPs to benefit from this secular trend
- We have seen deal flow from 650+ firms and have made 70+ investments in blue-chip GPs. As one of the leading providers of capital to the PE ecosystem we can proactively source best-in-class assets
- The Blue Owl diligence process emphasizes single-asset underwriting executed by professionals experienced in direct PE investing, in contrast to many competing secondaries managers

## NDBUSL / Blue Owl Partnership

- In conjunction with a commitment to the institutional closed end fund (Blue Owl Strategic Equity Partners), we would like to offer NDBUSL the opportunity to participate in the economics of Blue Owl Strategic Equity Holdco LLC (“Seed Vehicle”)
- This construct would allow NDBUSL to benefit from the secular shift toward GP-led secondaries while also sharing in the profit of the GP and minimizing fees

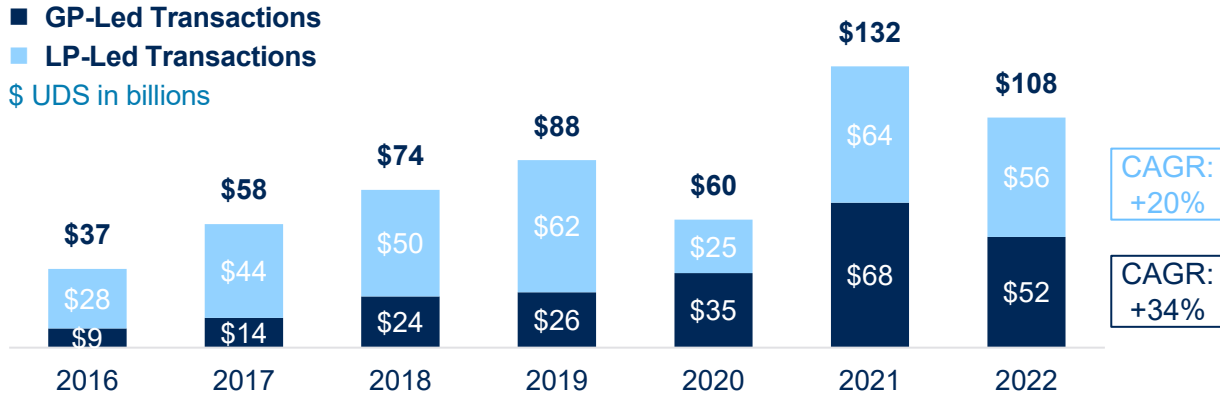
Strategic Equity seeks to offer best-in-class private equity exposure coupled with seed economics, while providing a differentiated risk-return profile



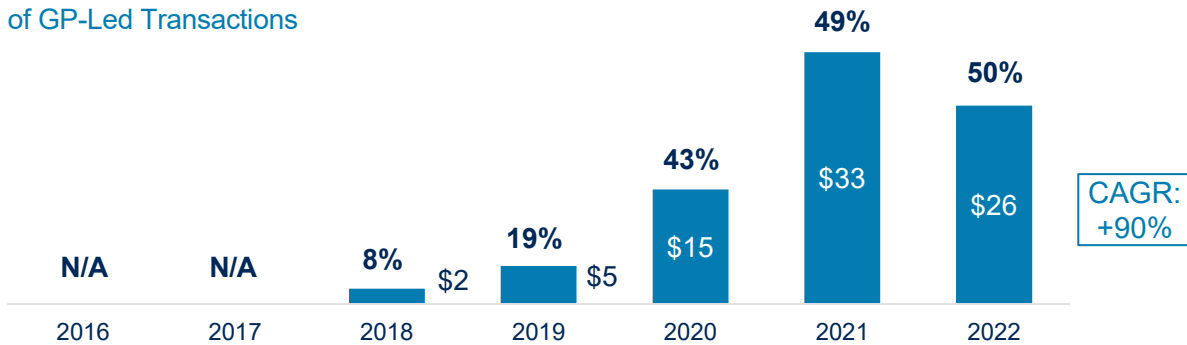
# GP-Led Volume is Accelerating

We believe that GP-led transactions are becoming a key exit mechanism for Sponsors

## Secondaries Transaction Volume<sup>1,4</sup>



## Single-Asset Fund Transactions<sup>4</sup> % of GP-Led Transactions



Continuation vehicles currently represent

~3-4%

of total private equity exits<sup>2</sup>

93%

of GPs that completed a GP led secondary desire to do so again<sup>3</sup>

86%

of private equity LPs expect secondaries to expand over the next three years<sup>3</sup>

## GP-led

secondaries are the fastest growing segment of the secondaries market<sup>3</sup>

US Private Equity Dry Powder is

~8x

the size of Secondaries Dry Powder<sup>4,5</sup>

Past performance is not a guarantee of future results. The views expressed are Blue Owl's views and subject to change without notice as market and other conditions change.

1. Source: Preqin Pro, as of 12/31/22. 2. Source: Private Equity International – GP-led Secondaries (March 2023). 3. Source: Upwelling Capital Group Research – Are LPs Missing the Boat? 4. Source: Pitchbook as of 12/31/22. 5. Source: Jefferies – Global Secondary Market Review (January 2023).

# How is Blue Owl Positioned to Succeed?



The Strategic Equity strategy is a natural extension of the Blue Owl Platform and a valuable solution for our Sponsors



## Differentiated Insight & Perspective

- Our investment professionals have ~20 years direct private equity experience investing across buyout, growth, infrastructure, hybrid and credit
- We have built out complimentary sector teams (100+ professionals) across every major end market (industrials/services, tech, health care, consumer, A&D, etc.)
- We derive insights and access via the reach of our platform, our existing commercial relationships, an extensive database of private equity investments and proprietary deal flow



## Partnership Philosophy & Platform Scale

- Blue Owl invests across the private market ecosystem, providing debt and equity solutions to businesses and financial sponsors, including private equity and venture capital firms
- With coverage of over 675 sponsors, the team has reviewed over 8,400 deals since inception in Credit business, committing debt capital to 420+ portfolio companies
- We have taken 70+ minority GP stakes with ~60% market share among leading GP solutions players<sup>1</sup>
- We have no direct buyout or growth PE products that compete with sponsors



## Identifying Imbalances in Supply/ Demand of Capital

- With a holistic view into private market trends across our divisions, Blue Owl has a track record of identifying underserved areas of the private markets and, with the support of our seed partners, building businesses to address these capital imbalances
- With four successful seed initiatives to-date, across two strategies, our seed investors in have achieved an additional ~800bps above the underlying funds' net IRR since inception<sup>2</sup>
- We have an Industry-leading institutional and private wealth business development team focused on launching, scaling and supporting private markets products

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1. Source: Evercore GP stakes transaction data. Peers represents leading players defined by aggregate capital raised for GP stakes (inclusive of open funds). 2. Please request "Blue Owl Seed Investment Track Records" slide for more information. Net IRRs reflect the return on the BDC investment inclusive of the associated seed investment. In the case of OBDC, it includes the impact of the participation in the Blue Owl transaction and public listing reflective of the share value on December 31, 2022. All Net IRRs include the impact of amounts paid by investors for the QBEC, NIIC and capital gains payments associated with their respective seed investments. Valuation used for OTH equity value based on price used for re-acquisition of interests, effective December 31, 2022. Valuation used for ODH equity value based on Alvarez& Marsal most recent valuation as of December 31, 2022. Valuation used for OTH II equity value based on Alvarez& Marsal most recent valuation as of December 31, 2022. Valuation is unrealized.



# Blue Owl Synergies with Investment Platforms

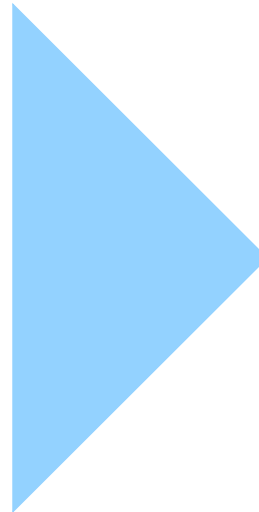
The Strategic Equity strategy will benefit from our Credit platform's extensive private equity deal flow and underwriting expertise, and broader synergies with GP Strategic Capital

## Credit

- Leading private credit business with \$79.5 billion in AUM
- Focused on direct lending to middle- and upper-middle-market companies backed by leading private equity sponsors
- Demonstrated ability to source proprietary investment opportunities with ~\$80+ billion in gross originations since inception

## GP Strategic Capital

- Leading GP Strategic Capital provider to private market participants with \$51.4 billion in AUM
- Deep and extensive relationships across the alternative asset management ecosystem
- Successfully completed over 75 equity and debt transactions since inception



## Strategic Equity

- Strategic Equity will predominantly provide bespoke equity solutions to financial sponsors and founder-/family-owned companies
- Partnership approach, focused primarily on single asset continuation fund investing and co-invest vehicles
- Leverage our GP Strategic Capital relationships and Credit platform's extensive deal flow and broad underwriting experience across private equity



# Target Portfolio Composition for Fully Ramped Strategy



Blue Owl seeks to build a diversified portfolio of the highest quality investments in private companies

## Blue Owl Strategic Equity – Target Portfolio Composition

### Primary Focus

>90% of Portfolio

#### Continuation Assets:

- Majority single-asset (95%+), GP-led continuation fund transactions

#### Minority Direct Equity Investments:

- Alongside private equity sponsors or private / founder-led businesses, typically not at first ownership



### Other Assets

<10% of Portfolio

- Direct investments in private companies, private debt, traditional secondary investments and private investments in public equities (PIPES)

## Investment Characteristics

<b>Diversification</b>	Target approximately 5-10% per position
<b>Geography</b>	95%+ North America and Western Europe
<b>Position Size</b>	Target \$100 - \$500mm per position (~\$25 - \$100mm while ramping)

# Large PE-Focused Team with Significant Domain Expertise



## Senior Leadership Leads Platform Investment Committee Discussions

<p><b>Doug Ostrover</b> Co-CEO 30+ Years of Experience Previously at Blackstone GSO</p>	<p><b>Marc Lipschultz</b> Co-CEO 30+ Years of Experience Previously at KKR</p>	<p><b>Michael Rees</b> Co-President 30+ Years of Experience Previously Neuberger Berman</p>
<p><b>Sean Ward</b> Senior Managing Director 20+ Years of Experience Previously Neuberger Berman</p>	<p><b>Jamie Halper</b> Senior Advisor 30+ Years of Experience Previously Leonard Green</p>	<p><b>Chris Crampton</b> Strategic Equity Portfolio Manager 20+ Years of Experience Previously at Goldman Sachs</p>

## Strategy-Dedicated Investment Professionals

<p><b>Chris Crampton</b> Head of Strategic Equity</p>		
<p><b>Mark Wetzel</b> Managing Director</p>		
<p><b>Mike Song</b> Vice President</p>	<p><b>Ben Kantowitz</b> Vice President</p>	
<p><b>Planned Hire</b> Senior Associate</p>	<p><b>Lindsey Scott</b> Associate</p>	<p><b>Planned Hire</b> Associate</p>

## Blue Owl Platform Resources

Origination	Underwriting	Capital Markets
<p>~100 Professionals</p>		
<ul style="list-style-type: none"> <li>Source investment opportunities from companies, sponsors, and intermediaries</li> <li>Actively manage deal flow from a network of nearly 600 financial sponsors</li> </ul>	<ul style="list-style-type: none"> <li>Diligence, evaluate, negotiate and underwrite investment sourced by originators</li> <li>Day-to-day active monitoring of 300+ portfolio companies</li> </ul>	<ul style="list-style-type: none"> <li>Manage liquid credit market activity (purchases, sell-downs, syndications)</li> <li>Fund and platform-level capital management and planning</li> </ul>

# Appendix:



# GP-led secondaries track record

Through our Blue Owl platforms, we have completed seven GP-led deals

	Investment Date	Asset Description
Company 1	Sep-20	Enterprise-grade IT management & security software solutions
Company 2	Mar-21	Infrastructure software – DevOps, Developer Tools & Database Tools
Company 3	Apr-21	Global leader in data integrity, providing accuracy, consistency, & context in data
Company 4	May-21	Global provider of high-assurance digital certificates
Company 5	Dec-21	Global provider of windshield replacement & repair services
Company 6	Dec-21	Enterprise healthcare operations software & services
Company 7	Jun-22	Leading provider of technology-enabled clinical asset management services

Blue Owl has invested ~\$200 million across seven GP-led transactions

Net IRR<sup>1</sup> for GP-led transactions undertaken by Blue Owl is 22.1%

The above examples are for illustrative purposes only and are not a representation or indicative of the deals that may be held in BOSE

1. Net IRR is reduced by Blue Owl Strategic Equity Partners management fee of 1.25% and incentive fees of 15% and fund level expenses of 0.35%, inline with the fee structure of the highest fee payer.

# BOSE Proactive Sourcing

We focus on investing in what we want to own, not what is currently for sale



## Differentiated approach

Compared with other sources of continuation fund capital that typically rely on GP advisory investment bankers for deal flow, we proactively identify the assets we want to own.

### Identify target asset



BOSE leverages Blue Owl's unique platform to identify targeted trophy assets



### Leverage proprietary sponsor relationships



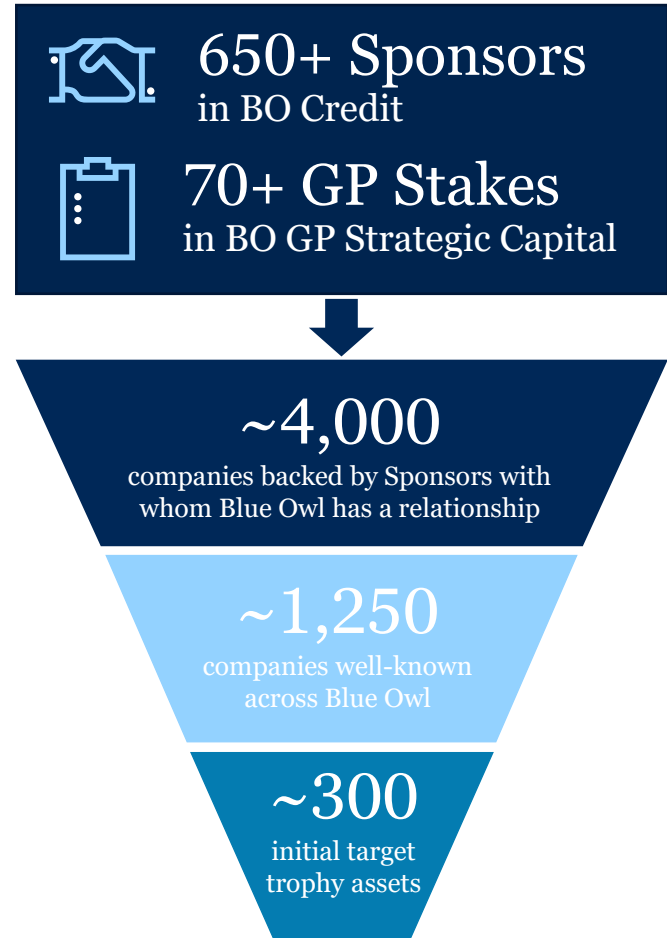
BOSE demonstrates continuation vehicle value proposition to sponsors & enters negotiation



### Undertake comprehensive diligence process



BOSE deploys deep sector expertise, bringing full resources & network of Blue Owl platform to bear



*By investing in assets that we know and like, where we have strong alignment with GPs we know and like, we believe we are more likely to generate strong returns than other providers of continuation fund capital*

Note: Trophy asset defined as an investment that is a 2.5x Gross MoIC or higher

# Industry-Leading Sponsor Relationships and Originations

Blue Owl's robust sponsor coverage advantages allows for enhanced origination opportunities and access to proprietary deal flow

## Deep Origination Capabilities

- 1** **World class sponsor coverage model** with strong relationships across leading players within the alternative investment universe
- 2** **Extensive deal flow** from our differentiated "wide funnel" approach and continuous dialogue with the largest private equity **sponsors**
- 3** **Demand from existing relationships to partner across new opportunities**, such as continuation and co-invests
- 4** GP stakes partnerships can provide us **insight into private equity trends and market dynamics**
- 5** **Capital provider of choice** with Blue Owl platform designed to align incentives with our sponsors



## Sponsor Coverage by the Numbers

675+

Sponsor Relationships

70+

GP Stakes Partnerships

8,400+

Deals Reviewed in Credit Business

\$82.8B

Originated in Credit business

145+

Investment Professionals Across Blue Owl

10+

Year History

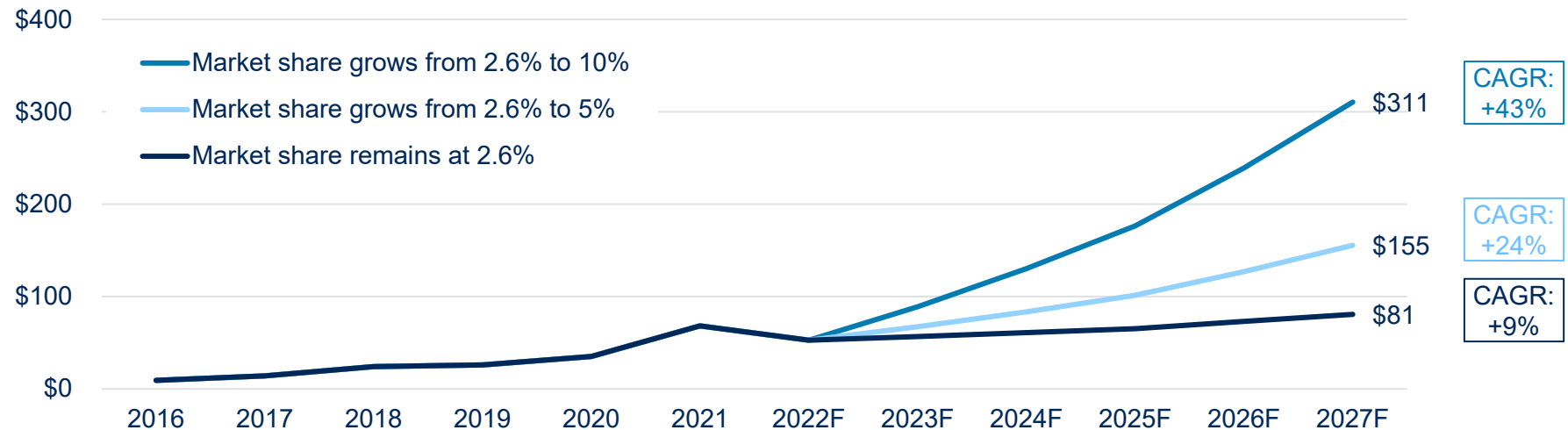


# The Market Opportunity for GP-led Secondaries is Significant and Expected to Grow

Based on forecast trajectory of US buyout AUM<sup>1</sup> and current share for GP-led secondaries transactions<sup>2</sup> (2.6%), the addressable market could grow to ~\$80 billion by 2027

## GP-Led Transactions as Share of Total<sup>1,2</sup>

\$ USD in billions



*GP-led secondaries transaction volume represented 2.6% of total US Buyout AUM in 2022<sup>1,2</sup>*

*Per the scenarios above, if market share of GP-led transactions increases with higher levels of adoption from the sponsor community, the aperture of opportunity expands accordingly*

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1. Based on AUM forecast of US PE Buyout Market from Preqin Global Private Equity Report 2023; 2. Source: Jefferies – Global Secondary Market Review (January 2023).

# What is Driving the Market for Continuation Funds?



Continuation funds can provide demonstrable value to participants across private equity ecosystem

## Continuation Fund Investors

- Opportunity to invest in a diversified pool of difficult to access, *trophy* portfolio companies<sup>1</sup> at compelling valuations (~70% of continuation fund deals were completed at 0-10% discount to NAV in 2022<sup>2</sup>)
- Close alignment with Sponsor given rolled carry, economic upside and potential new fund capital
- Typically, less duration, more downside protection and better expense management (mitigated J curve, dead-deal expense) versus a traditional buyout fund

## Sponsors

- Can enable GPs to capture upside from best assets
- Facilitates growth in AUM, versus a reduction in AUM from a full sale, leading to potentially higher recurring management fee revenue
- Potentially increases carried interest whether asset continues to appreciate or falls in value
- Offers a new source of primary capital for M&A or to remove legacy co-investors

## Private Equity Ecosystem

## Limited Partners

- Provides exit optionality, while also providing option to roll into continuation fund if desired (~80%+ of LPs chose to exit in 2022)<sup>1</sup>
- Even at a discount to NAV<sup>2</sup>, there is still a premium to current LP-led secondary market discounts, which are currently in the 10-20% range<sup>2</sup>

## Management Teams

- Sales process is more straightforward, less time intensive, with less management team disruption
- Often facilitates a parity liquidity event for management teams
- Limits perceived “new partner risk” that would ensue from an outright sale to a new GP

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1 Trophy defined as PE assets that have generated MOIC of 2.5x or greater 2. Source: Private Equity International – GP-led Secondaries (March 2023), as of 12/31/22.



# Bespoke Partnership Approach to Continuation Fund Investing



Enabling institutions to maintain exposure to *trophy*<sup>1</sup> assets, make strong investment decisions, minimize fees and mitigate governance challenges of holding single asset fund investments directly

Area of Focus	LP Pain Points	Partnership Solutions & Opportunities
<b>Governance / Fees</b>	<ul style="list-style-type: none"> <li>LPs may often be highly fee conscious and unable to roll into continuation funds due to resources/time or governance restrictions precluding single asset investments</li> </ul>	<ul style="list-style-type: none"> <li>In addition to the significant fee-free co-invest opportunity, BOSE will offer <b>fee-free exposure to institutional partners on opportunities they identify through their existing private equity partnerships</b>, blending down overall fee experience on their fund investment</li> </ul>
<b>Diligence</b>	<ul style="list-style-type: none"> <li>LPs may lack the resources/time required to appropriately diligence opportunities but have the benefit of insight on certain assets that they own through their existing private equity partnerships</li> </ul>	<ul style="list-style-type: none"> <li>BOSE and our key institutional partners can share insights on assets coming to market/trends, based on their respective positions in the ecosystem, through regular recurring dialogues (quarterly or ad hoc)</li> <li>LPs can leverage the Blue Owl sector coverage teams to assist with diligence where we have specialist knowledge of an asset or sector, <b>even in continuation fund transactions in which BOSE does not intend to invest</b></li> </ul>
<b>ILPA Guideline Support</b>	<ul style="list-style-type: none"> <li>LPs want to see their interests in their existing direct private equity portfolios represented and protected</li> </ul>	<ul style="list-style-type: none"> <li>BOSE intends to use its position in the market with Sponsors and intermediaries to generally support adoption of ILPA guidelines subject to BOSE's fiduciary and contractual duties to its investors<sup>2</sup></li> <li>BOSE expects to support process transparency, fairness opinion requirements, appropriate LP election timing, 100% roll of Sponsor carry, and that appropriate assets are sold into continuation funds (i.e., not companies in new funds or just acquired assets)</li> </ul>

There can be no guarantee that an investment strategy will achieve its objectives, that these specific opportunities will be acquired, nor that the opportunities that may eventually be sourced will have similar characteristics to the opportunities described herein. 1. Trophy defined as PE assets that have generated MOIC of 2.5x or greater. 2 <https://ilpa.org/wp-content/uploads/2023/05/Continuation-Funds-Considerations-for-Limited-Partners-and-General-Partners.pdf>

# How Strategic Equity is Differentiated from Direct Private Equity



Area of Focus	Traditional Direct Private Equity <sup>1</sup>	Blue Owl Strategic Equity
<b>Target Investments</b>	<ul style="list-style-type: none"> <li>• Wider range of possible investment outcomes across the portfolio</li> <li>• Sponsor invests in new, unknown assets</li> </ul>	<ul style="list-style-type: none"> <li>• Target investments in trophy<sup>2</sup> assets</li> <li>• Potentially Mitigated blind pool risk for LPs given re-investment by GPs in known assets</li> </ul>
<b>Sourcing &amp; Diligence</b>	<ul style="list-style-type: none"> <li>• Offensive approach to sourcing</li> <li>• PE-style diligence</li> </ul>	<ul style="list-style-type: none"> <li>• Offensive approach to sourcing</li> <li>• PE-style diligence, including access to diligence already conducted by GPs</li> </ul>
<b>Deal Execution</b>	<ul style="list-style-type: none"> <li>• Very competitive auction processes</li> <li>• Typically, only one auction winner</li> </ul>	<ul style="list-style-type: none"> <li>• Pursue attractive valuations – in 2022, ~70% of continuation fund deals were priced below NAV</li> <li>• Limited competition – typically several lead investors (2-3+), and various syndicate investors</li> </ul>
<b>Portfolio Diversity</b>	<ul style="list-style-type: none"> <li>• Single GP</li> <li>• Can be generalist or specialist firms</li> </ul>	<ul style="list-style-type: none"> <li>• By GP: Target diversified pool of leading GPs who wish to continue ownership in high conviction asset(s)</li> <li>• By End Market: Trophy<sup>2</sup> assets across various end-markets</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>• Deployment typically over 4-6 years</li> <li>• Less efficient: More significant dead-deal expenses and transaction expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigated J-curve given faster deployment versus Direct private equity</li> <li>• Limited dead-deal expenses and no transaction expenses leading to greater efficiency</li> </ul>
<b>Investor Base &amp; Returns</b>	<ul style="list-style-type: none"> <li>• Typically limited to institutional or sovereign investors</li> <li>• Returns limited to underlying PE investments</li> </ul>	<ul style="list-style-type: none"> <li>• Target mix of institutional and wealth investors, with access to Blue Owl's industry-leading private wealth fundraising platform</li> <li>• Target returns from GP-led private equity investments and seed economics</li> </ul>

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There is no assurance that objectives and target ranges will be achieved and is subject to change based on market and other conditions.

1. Based on current market observations by Blue Owl investment teams. 2. Trophy defined as PE assets that have generated MOIC of 2.5x or greater.

# How Strategic Equity is Differentiated from Other Sources of Continuation Fund Capital



Area of Focus	Other Sources of Continuation Fund Capital <sup>1</sup>	Blue Owl Strategic Equity
<b>Sourcing</b>	<ul style="list-style-type: none"> <li>Over reliance on continuation fund bankers/intermediaries for identification of opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Leverage Blue Owl platform and Strategic Equity team experience to offensively target trophy assets<sup>2</sup></li> </ul>
<b>Diligence</b>	<ul style="list-style-type: none"> <li>Over-reliance on GP quality and existing relationship (~66% of decision)</li> </ul>	<ul style="list-style-type: none"> <li>More traditional bottoms up single-asset direct private equity underwriting (~80%+ focused on the underlying asset)</li> </ul>
<b>Value-add</b>	<ul style="list-style-type: none"> <li>Typically, no input, governance or value-added capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Can provide value to GP portfolio company and management team via functional/end market executive experts for Observer/Board seats</li> </ul>
<b>Valuation</b>	<ul style="list-style-type: none"> <li>Predominantly NAV focused</li> </ul>	<ul style="list-style-type: none"> <li>Bottoms up valuation approach</li> </ul>
<b>Diversity</b>	<ul style="list-style-type: none"> <li>With some exceptions, generally prefer multi-asset deals</li> </ul>	<ul style="list-style-type: none"> <li>With some exceptions, generally prefer single-asset deals</li> </ul>
<b>Size</b>	<ul style="list-style-type: none"> <li>Focus typically only for Lead Investors</li> </ul>	<ul style="list-style-type: none"> <li>Strong preference to lead deals – more scale/size/speed can often enable better terms for continuation fund investors</li> </ul>

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**Assets Under Management (“AUM”) is calculated as the sum of the total assets managed, undrawn debt (at the product-level including amounts subject to certain types of restrictions) and uncalled committed equity capital (including commitments to products that have yet to commence their investment periods).**

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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 8<sup>th</sup> Circuit; on August 30, 2023, the 8<sup>th</sup> 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 8<sup>th</sup> Circuit Court which was denied on October 27, 2023; Plaintiffs have 90 days to petition the U.S. Supreme Court for certiorari.

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. Briefings and oral arguments before the North Dakota Supreme Court to follow.

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 is due January 12, 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 about the Wenck line resulting in retention of 2,500 mineral acres

Lose = Federal surveys control resulting in 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 scheduled for completion in November 2023.

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