

BOARD OF UNIVERSITY AND SCHOOL LANDS

Via Microsoft Teams Only
November 24, 2020 at 8:00 AM

[Join Microsoft Teams Meeting](#)

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

Conference ID: 927 660 594#

AGENDA

➤ = **Board Action Requested**

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

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

➤ A. October 29, 2020 – pg. 2

2. **Reports – Jodi Smith**

A. October Extension Report – pg. 22

B. Summary of Oil & Gas Lease Auction – pg. 23

C. October Report of Encumbrances Issued by the Commissioner – pg. 24

D. October Unclaimed Property Report – pg. 26

E. August Financial Position – pg. 27

F. Investments Update – pg. 35

3. **Surface – Michael Humann**

➤ A. Fall Surface Lease Auction – pg. 36

➤ B. Board Policy Manual – pg. 38

4. **Operations – Jodi Smith**

A. Audited Financial Statements for the Year Ended June 30, 2020 – pg. 44

B. Potential Legislation for 2021 – pg. 45

5. **Investments – Michael Shackelford**

➤ A. Fixed Income – Core Bond Manager – pg. 46

➤ B. Fixed Income – Multi-Sector Manager – pg. 76

C. 3rd Quarter Investment Update – pg. 108

6. **Other – Jodi Smith**

A. Commissioner Review – pg. 132

7. **Minerals – Jodi Smith**

➤ A. Acreage Adjustment Survey T152N R93W Section 11 Lot 2 and Section 10 Lot 6 – pg. 141

➤ B. Acreage Adjustment Survey T153N R102W Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 – pg. 145

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

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

Next Meeting Date – December 17, 2020

**Minutes of the Meeting of the
Board of University and School Lands
October 29, 2020**

The October 29, 2020 meeting of the Board of University and School Lands was called to order at 9:03 AM in the Peace Garden Meeting Room of the State Capitol by Chairman Doug Burgum.

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kelly Schmidt	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction – via Microsoft Teams

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Dennis Chua	Investment Analyst – via Microsoft Teams
Scott Giere	Revenue Compliance - via Microsoft Teams
Robert Dixon	Network Computer Specialist – via Microsoft Teams
Rick Owings	Grants Administrator EIIO – via Microsoft Teams
Michael Humann	Surface Division Director - via Microsoft Teams
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer
Adam Otteson	Revenue Compliance Division Director – via Microsoft Teams
Mike Shackelford	Investment Division Director - via Microsoft Teams
David Shipman	Minerals Division Director - via Microsoft Teams

Guests in Attendance:

Dave Garner	Office of the Attorney General
Leslie Bakken Oliver	Governor's Legal Counsel - via Microsoft Teams
Morgan Benth	KFYR TV - via Microsoft Teams
Beth Blandford	Guest via Microsoft Teams
Colin Rajala	Guest via Microsoft Teams
Brant Grimes	Voya Guest via Microsoft Teams
Amy Sisk	Bismarck Tribune via Microsoft Teams
Geoff Simon	Western Dakota Energy Association
Brady Pelton	NDPC Guest via Microsoft Teams
Dennis Blank	Oil Patch Hotline via Microsoft Teams

APPROVAL OF MINUTES

A motion to approve the minutes of the September 24, 2020 meeting, was made by Attorney General Wayne Stenehjem and seconded by Alvin A. Jaeger Secretary of State and the motion carried unanimously on a voice vote.

LITIGATION

Wilkinson

Case: William S. Wilkinson, et. al. v. Board of University & School Lands, Brigham Oil & Gas, LLP; EOG Resources, Inc.; Case No. 53-2012-CV-00038

Date Filed: January, 2012

Court: Williams County District Court

Judge: Paul Jacobson

Attorney: Jennifer Verleger/Matthew Sagsveen/David Garner

Opposing Counsel: Josh Swanson/Rob Stock, Lawrence Bender, John Ward

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

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

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

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

1. Surface ownership could not be determined without the United States as a party to the action;
2. N.D.C.C. ch. 61-33.1 has a retroactive clause and the district court did not have an opportunity to determine if it applies and governs ownership of the minerals at issue;

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3. A “takings” analysis must be conducted if the district court determines the State owns the disputed minerals; and
4. The district court erroneously made findings of disputed fact.

History:

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

2019. Board of University and School Lands' Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. State Engineer's Notice of Appeal to the North Dakota Supreme Court was filed on November 15, 2019. Notice of Appeal to North Dakota Supreme Court filed by Statoil Oil & Gas LP f/k/a Brigham Oil & Gas, LLP on November 27, 2019. Appellant's Initial Briefs were due December 12, 2019; however, a Joint Motion for Extension of Time to File Briefs was filed and an extension was granted on December 13, 2019, with all briefs being due to the Supreme Court as follows:

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

On January 13, 2020, the Brief of Appellant, Board of University and School Lands was filed with the Supreme Court. Appellant North Dakota State Engineer's Principal Brief was also filed on January 13, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Plaintiffs/Appellees Response Brief filed with the Supreme Court on March 2, 2020. Reply Brief of Defendant and Appellant, Board of University and School Lands filed on March 16, 2020. Appellant North Dakota State Engineer's Reply Brief filed March 16, 2020.

Current Status:

- **The North Dakota Supreme Court issued its Opinion of the Court on August 27, 2020.**
- **On September 18, 2020 a Notice of Hearing was filed in the District Court setting a status conference for October 13, 2020, at 3:30 p.m. The Court issued an Order After Status Conference dated October 13, 2020, stating that a two day bench trial will be scheduled.**
- **A telephonic scheduling conference was scheduled for October 29, 2020, at 10:00 a.m.**
- **On October 23, 2020, the Supreme Court Judgment/Opinion was filed with the District Court.**

Starin/Weyrauch

Case: Mary K. Starin, as Personal Representative of the Estate of Bruno Herman Weyrauch v. Kelly Schmidt, et. al., Civ. No. 53-2015-CV-00986
Date Filed: August 17, 2015
Court: Williams County District Court
Judge: David Nelson
Attorney: David Garner/Jennifer Verleger
Opposing Counsel: Dennis Johnson

Issues: Plaintiff initiated this quiet title action to determine title to property located under Lake Sakakawea. In 1939, the State acquired the disputed property through a foreclosure of a Bank of North Dakota loan. In 1945, the State re-sold the property through a contract for deed to the Plaintiff's predecessors in interest. Pursuant to state law, the state reserved 50% of the minerals. The Special Warranty Deed issued after satisfaction of the contract for deed was not recorded and no one has a copy of the fully executed

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deed. The surface estate was later condemned as part of the Garrison Dam reservoir project. Plaintiffs have brought this action to clear title to the 50% of the minerals that they claim. The Board has leased the 50% mineral interest it reserved in this conveyance.

In January 2016, the State Engineer intervened in this case.

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. When the review findings are issued, the parties must request a status conference with the Court to set a new trial date and other deadlines. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 12, 2018. Plaintiffs filed a Response to Defendants' Motion to Stay Proceedings on October 23, 2018. A hearing on the Motion to Stay Proceedings was held scheduled November 16, 2018. Stay was granted. Trial previously scheduled for February of 2019 was continued until February 1, 2, and 3, 2020. Notice of Hearing scheduling status conference for January 21, 2020 at 9:30 was filed on January 14, 2020.

Current Status:

- On January 21, 2020 the Court entered an Order for Continued Stay of Proceedings which stays the matter until final disposition of the Sorum lawsuit. The court cancelled the trial scheduled for February 5-7, 2020, and rescheduled the trial to February 1-3, 2021.
- On September 28, 2020, the District Court scheduled a Telephonic Status Conference for October 14, 2020.
- On October 2, 2020, the parties filed a Stipulation for Order for Judgment Quieting Title, a proposed Order and proposed Judgment.
- On October 7, 2020, the Court entered the Stipulated Order for Judgment Quieting Title and the Judgment Quieting Title. The Notice of Entry of Judgment was also entered on October 7, 2020.
- October 14, 2020 Telephonic Status Conference and February 2021 Trial were cancelled.

Whitetail Wave

Case: Whitetail Wave LLC v. XTO Energy, Inc.; the Board of University and School Lands; and the State of North Dakota – 27-2015-CV-00164

Date Filed: June 4, 2015

Court: McKenzie County District Court

Judge: Robin Schmidt

Attorney: David Garner/Jennifer Verleger

Opposing Counsel: Whitetail Wave – Christopher Sweeney; XTO Energy – Lawrence Bender

Issues: On August 1, 2015, the Attorney General's Office was served with a complaint in the above referenced case. This case is challenging the State's determination of the OHWM east of the Highway 85 Bridge, near the northern border of the Fort Berthold Indian Reservation. The Board has currently leased minerals pursuant to the Phase II

Investigation for this tract. The Plaintiff is requesting that title to the minerals be quieted and has alleged claims of Unconstitutional takings, trespass, slander of title, and constructive trust/unjust enrichment against the State. The complaint also makes a number of claims specific to XTO Energy Inc., the operator of the wells on the tracts in dispute. Specifically, the Plaintiff is requesting that the State's claim to sovereign lands' mineral interest be restricted to those minerals located below the OHWM of the Missouri River prior to inundation of the Lake Sakakawea.

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

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 19, 2018 and XTO filed a Response in Support of Continued Stay on October 26, 2018. On November 5, 2018, the Court entered its Order for Continued Stay of Proceedings, staying the proceedings, holding all deadlines in abeyance, and ordering that upon final disposition of the Sorum lawsuit the parties will request a status conference to schedule a new trial date and reset other deadlines. The continued stay was affirmed on November 27, 2018.

Current Status:

- On September 30, 2020, the District Court scheduled a Telephonic Status Conference for October 6, 2020.
- On October 6, 2020, Spencer Ptacek filed a Notice of Appearance on behalf of XTO.
- On October 7, 2020, the District Court scheduled a pretrial conference for August 10, 2021, and scheduled a five day, six person jury trial for August 16-20, 2021.
- On October 22, 2020, the Board of University and School Lands and State Engineer filed their Motion to Dismiss and Supporting documents.

Northern Oil & Gas, Inc. v. Continental et al.

Case: Northern Oil and Gas, Inc. v. Continental Resources, Inc.; Board of University and School Lands of the State of North Dakota; and North Dakota Industrial Commission; Case No. 31-2020-CV-00198

Date Filed: September 25, 2020

Court: Mountrail County District Court

Judge: Honorable Richard L. Hagar

Attorney: David Garner

Opposing Counsel: Nick Andrew Swartzendruber

Issues: On September 25, 2020, Northern Oil and Gas, Inc. filed a Complaint against Continental Resources, Inc., Board of University and School Lands of the State of North Dakota (Board), and North Dakota Industrial Commission (NDIC) seeking review of the findings of the NDIC relating to the location of the historical riverbed channel of the Missouri River with respect to the N/2 of Section 27, Township 153 North, Range 93 West, 5th P.M. Northern requests an order determining that the high water mark of the northern edge of the riverbed extends further to the north and northwest versus what is depicted in the Wenck Survey.

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History:**Current Status:**

- **Complaint served on the Board on September 25, 2020. Answer due October 16, 2020.**
- **NDIC filed its answer on October 16, 2020. The Board received an extension to file its Answer and filed on October 22, 2020.**
- **On October 23, 2020, Continental filed a Motion to Dismiss for Failure to Join Necessary and Indispensable Parties.**
- **Also on October 23, 2020, a Motion for Pro Hac Vice was filed by Jeffrey C. King to practice on behalf of Continental.**

Northern Oil and Gas, Inc. v. Bruin et al.

Case: Northern Oil and Gas, Inc. v. Bruin E&P Operating, LLC; Bruin Williston I, LLC, Bruin Williston II, LLC, Bruin Williston Holdings, LLC, Bruin E&P Non-Op Holdings, LLC; Board of University and School Lands of the State of North Dakota; and North Dakota Industrial Commission; Case No. 31-2020-CV-00199

Date Filed: September 25, 2020

Court: Mountrail County District Court

Judge: Honorable Stacy Louser

Attorney: David Garner

Opposing

Counsel: Nick Andrew Swartzendruber

Issues: On September 25, 2020, Northern Oil and Gas, Inc. (Northern) filed a Complaint against Bruin E&P Operating, LLC; Bruin Williston I, LLC, Bruin Williston II, LLC, Bruin Williston Holdings, LLC, Bruin E&P Non-Op Holdings, LLC, (collectively referred to as Bruin), Board of University and School Lands of the State of North Dakota (Board), and North Dakota Industrial Commission (NDIC) seeking review of the findings of the NDIC relating to the location of the historical riverbed channel of the Missouri River with respect to the N/2 of Section 10, Township 152 North, Range 93 West, 5th P.M. Northern requests an order determining that the high water mark of the northern edge of the riverbed is further south than what is depicted in the Wenck Survey.

History:**Current Status:**

- **Complaint served on the Board on September 25, 2020. Board's Answer filed October 16, 2020.**
- **Defendant Bruin filed Defendants' Unopposed Motion for Extension of Time to File Answer or Otherwise Respond to Plaintiff's Complaint on October 16, 2020, requesting an extension until November 20, 2020.**

Vitesse Litigation Memo

Case: Vitesse Oil, LLC; Vitesse Energy, LLC; and Iron Oil Operating LLC v. State of North Dakota; North Dakota Board of University and School Lands; and Jodi A. Smith, Commissioner of University and School Lands, Case No. 27-2019-CV-00266;

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Date Filed: June 11, 2019
Court: McKenzie County District Court
Judge: Robin Schmidt
Attorney: David Garner
Opposing Counsel: Lawrence Bender, Spencer Ptacek

Issues: On June 7, 2019, the Attorney General's Office was served with a complaint in the above referenced case. This case is requesting a judgment be entered under Chapter 32-12 of the North Dakota Century Code quieting title in Leases in favor of Plaintiffs; a judgment be entered under Chapter 32-12 of the North Dakota Century Code declaring that the Leases remain valid and in effect with respect to all of the Subject Lands based on the force majeure provision of the Board's lease; that the Court enter a temporary restraining order, preliminary injunction, and permanent injunction, prohibiting Defendants from selling or attempting to sell new leases covering the oil and gas in and under the Subject Lands or otherwise interfering with Plaintiffs exclusive right to explore for and produce the same; and that Plaintiffs be awarded their costs and reasonable attorney fees.

History: The Summons and Complaint were served on the State of North Dakota and the Board of University and School Lands, by service on the Attorney General's Office on June 7, 2019. The action was filed on June 11, 2019. The State's Answer was filed with the District Court June 28, 2019. A scheduling conference was held on October 2, 2019. The parties will work on a scheduling order. Lessee's Motion for Leave to Amend complaint filed October 14, 2019. Order Granting Plaintiffs' Motion for Leave to Amend was entered on October 30, 2019. On December 17, 2019, a Notice of Telephonic Scheduling Conference was filed by the court, setting a telephonic scheduling conference for January 22, 2020 at 11:15 a.m.

Current Status:

- **Notice of Court Trial was issued on January 23, 2020, setting a three day court trial for April 20, 2021.**
- **On February 20, 2020, the Court issued its scheduling order setting all case deadlines.**
On October 1, 2020, Defendant Oasis Petroleum North America LLC filed a Suggestion of Bankruptcy for Oasis Petroleum Inc. and Certain of its Affiliates and Notice of Automatic Stay of the Proceedings, stating a bankruptcy petition was filed on September 30, 2020.

EXECUTIVE SESSION

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

- William S. Wilkinson et al. Case No. 53-2012-CV-00038
- Whitetail Wave LLC Case No. 27-2015-CV-0016
- Repayment of Royalties

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

At 9:11 AM the Board entered executive session for the purposes outlined in its adopted motion.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Kelly Schmidt	State Treasurer
Kirsten Baesler	Superintendent of Public Instruction – via Microsoft Teams

Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Adam Otteson	Revenue Compliance
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer

Guests in Attendance:

Dave Garner	Attorney General’s Office
Leslie Bakken Oliver	Governor’s Legal Counsel – via Microsoft Teams
Reice Haase	Governor’s Office

During the executive session, the Board was provided information from its attorney.

The executive session adjourned at 9:56 AM and the Board reconvened in open session.

No formal action was taken.

MINERALS

Repayment of Royalties

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

A letter regarding Formal Notification of Gas Royalty Repayment Obligations dated February 11, 2020 with enclosed Gas Deduction Compliance Notification (Letter) was sent to all entities required to pay royalties to the Board pursuant to the Board’s lease. At the February 27, 2020 Board meeting the Board requested additional information regarding the prior communication with royalty payors regarding gas deductions.

The Department reviewed its records and found that the topic of gas deductions had been communicated to royalty payers to the Department as early as 1979. In response to receiving a draft version of the current lease in early 1979, payers were concerned with the new royalty provisions, specifically, the deductibility of expenses. Many expressed the opinion that the new version of the lease did not allow for the deduction of expenses that they had historically taken.

Subsequent to the adoption of the new lease form in 1979, the Department conducted numerous audits during the late 1980's and early 1990's. In August 1990, the Board was provided a report that stated the following with respect to upcoming issues for Fiscal Year 1991: "Up to this time, most of the money collected by the Audit Division has related to relatively non-controversial issues. However, during FY 1991 we expect to address a number of controversial issues that could result in complaints to the Land Board and lawsuits against oil companies. Many of the audits conducted by the Department throughout the years covered production periods for many years prior to the date of audit notification. For example, one audit completed in 1998 covered production from 1984 through 1991. After working through numerous issues with the operator, the Department resolved these issues and received payment in 2001.

In 2011 the Department created the Revenue Compliance Division. Starting in 2012, the Department began issuing notices of improper deductions to companies that reported deductions on royalty statements submitted for both oil and gas.

In addition to the Departments communication with operators, the Board has either been party to or submitted amicus briefs in legal proceedings involving gas deductions. The Board's position in those cases has been consistent in that gross proceeds does not allow for the deduction of expenses.

O P E R A T I O N S

Surface Land Management and Minerals Management Administrative Rules

In House Bill 1300, the Sixty Fifth Legislative Assembly directed the Board of University and School Lands (Board) no longer be exempt from the Administrative Agencies Practice Act (Act). In Senate Bill 2264, the Sixty Sixth Legislative Assembly directed the Board be exempt from the adjudicative proceeding requirements and procedures under North Dakota Century Code §§ 28-32-21 through 28-31-51 of the Act.

The Department of Trust Lands (Department) considered existing rules, together with policies and procedures, to incorporate necessary wording from those into rules which comply with the North Dakota Administrative Code. North Dakota Century Code § 28-32-07 states: "Any rule change, including a creation, amendment, or repeal, made to implement a statutory change must be adopted and filed with the legislative council within nine months of the effective date of the statutory change."

Revisions to rules concerning Surface Land Management and Minerals Management were posted on the Department's website, publication of a notice of intent has been completed, and copies of these rules were sent to sponsoring legislators. A public hearing on these rules was held August 2020, where the Department received oral and written comments. A summary of the written comments, together with the Department's discussion and proposed revisions to the rules, has been completed.

The Board approved the amended rules which were then submitted to the Attorney General's Office for review. We anticipate having a response from the Attorney General's office prior to the October 29, 2020 Board meeting. If approved, the Surface Land Management and Minerals Management Administrative Rules will be presented to the Administrative Rules Committee in December 2020, to become effective January 1, 2021.

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R E P O R T S

September 2020 Report of Encumbrances Issued by Land Commissioner

Granted to:	Billings County, Medora-ND
For the Purpose of:	Easement: Road Right-of-Way
Right-of-Way Number:	RW0008453
Trust:	A – Common Schools
Legal Description:	BIL-141-102-16-NW4
Granted to:	Slawson Exploration Company Inc, Denver-CO
For the Purpose of:	Pipeline-Salt Water Pipeline
Right-of-Way Number:	RW0008681
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4 MOU-152-92-23-W2W2NE4NE4, NW4NE4NE4NW4 MOU-152-92-23-NE4NW4
Granted to:	Slawson Exploration Company Inc, Denver-CO
For the Purpose of:	Pipeline-Oil Gathering Pipeline
Right-of-Way Number:	RW0008695
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4 MOU-152-92-23-W2W2NE4NE4, W2W2NE4NE4, NW4NE4NW4NE4 MOU-152-92-23-W2W2NE4NE4, NW4NE4
Granted to:	Continental Resources Inc, Oklahoma City-OK
For the Purpose of:	On-lease Act: Well-Horizontal Oil Well
Right-of-Way Number:	RW0008701
Trust:	A – Common Schools
Legal Description:	DUN-147-96-36-NW4
Granted to:	Continental Resources Inc, Oklahoma City-OK
For the Purpose of:	On-lease Act. Amend: Well-Horizontal Oil Well
Right-of-Way Number:	RW0008704
Trust:	A – Common Schools
Legal Description:	WIL-153-99-22-SW4 Less Acres Condemned, W2SE4 Less Acres Condemned WIL-153-99-22-W2SE4 Less Acres Condemned WIL-153-99-22-W2SE4 Less Acres Condemned
Granted to:	Mckenzie Electric Coop Inc, Watford City-ND
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008724
Trust:	A – Common Schools
Legal Description:	MCK-147-104-36-NW4, MCK-147-104-36-SE4 MCK-147-104-36-SW4, MCK-147-104-36-SE4 MCK-147-104-36-SW4
Granted to:	Mckenzie Electric Coop Inc, Watford City-ND
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008725
Trust:	A – Common Schools
Legal Description:	MCK-147-104-36-NE4, MCK-147-104-36-NW4 MCK-147-104-36-NW4

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Granted to:	Equinor Energy Lp, Williston-ND
For the Purpose of:	Assignment: Well-Directional Wellsite
Right-of-Way Number:	RW0008765
Trust:	A – Common Schools
Legal Description:	MCK-153-98-36-SW4
Granted to:	Oneok Rockies Midstream Llc, Sidney-MT
For the Purpose of:	Release of Easement
Right-of-Way Number:	RW0008770
Trust:	A – Common Schools
Legal Description:	MCK-145-101-16-SE4
Granted to:	Van Hook Gathering Services Llc, Irving-TX
For the Purpose of:	Easement: Pipeline-Multiple Pipelines
Right-of-Way Number:	RW0008774
Trust:	A – Common Schools
Legal Description:	MOU-150-92-10-S2SW4
Granted to:	Williston Water Management, Llc, Denver-CO
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008776
Trust:	A – Common Schools
Legal Description:	MOU-151-92-36-W2NE4SW4, NW4SW4, S2SW4
Granted to:	Elkan Energy Services Llc, Watford City-ND
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008777
Trust:	A – Common Schools
Legal Description:	MCK-150-98-36-SW4
Granted to:	Ames Savage Water Solutions, Williston-ND
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008778
Trust:	A – Common Schools
Legal Description:	MOU-156-94-16-SW4
Granted to:	Williston Water Management, Llc, Denver-CO
For the Purpose of:	Permit: Temporary Water Layflat Line
Right-of-Way Number:	RW0008779
Trust:	A – Common Schools
Legal Description:	MOU-152-92-14-SE4

September Unclaimed Property Report

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

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

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian
(10/29/2020)

of the unclaimed property received from holders. The property is held in trust in perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of September 2020, the Division received 335 holder reports with a property value of \$376,066 and paid 222 claims with a total value of \$659,258.

Investment Updates

Portfolio Rebalancing Updates

In April 2020, the Board of University and School Lands (Board) approved a new Strategic Asset Allocation. The Department of Trust Lands (Department) staff, along with RVK staff, developed a transition plan to liquidate the Treasury Inflation Protected Security, Commodities, Master Limited Partnership, and Natural Resource Equities’ holdings in the Permanent Trust Funds (PTFs) in a manner that is consistent with the best interests of the PTFs and as market conditions allow. On Oct. 6, 2020, Van Eck was instructed to fully liquidated the portfolio amounting to \$38M transferred to the transition account. Harvest is therefore the only remaining investment left in the Diversified Inflation Strategy asset class with approximately \$94M. The Department staff and RVK will continuously monitor the trigger points set for the account and complete the liquidation when appropriate.

In July 2020, the Board approved \$100M new investment commitment to the Apollo Accord Fund IV, LP (Fund), for an Opportunistic Investment. The Fund has called on an initial \$2,565,393.79 that was funded September 15, 2020. Another \$2,934,606.21 has been called and will be funded on October 26, 2020. This brings the remaining unfunded commitment to \$94,500,000.

On October 1, 2020, Varde Dislocation Fund IV, LP called \$5M the Board’s capital commitment which brings the total investment in the Fund to \$15,000,000. The remaining unfunded commitment is now down to \$85M.

Asset Allocation

The table below shows the status of the permanent trusts’ asset allocation as of Oct. 20, 2020. The figures provided are unaudited.

As of October 20, 2020	Market Value \$	Actual	Target	Lower Range	Upper Range
Broad US Equity	991,631,577.13	19.6%	19.0%	14.0%	24.0%
Broad Int’l Equity	967,617,730.82	19.1%	19.0%	14.0%	24.0%
Fixed Income	1,108,567,886.36	21.9%	22.0%	17.0%	27.0%
Transition Account	407,938,681.82	8.1%	0.0%	-5.0%	5.0%
Absolute Return	750,859,820.87	14.8%	15.0%	10.0%	20.0%
DIS	94,152,184.19	1.9%	0.0%	-5.0%	5.0%
Real Estate	727,914,470.00	14.4%	15.0%	10.0%	20.0%
Private Equity	-	0.0%	5.0%	0.0%	10.0%
Private Infrastructure	-	0.0%	5.0%	0.0%	10.0%
Opportunistic Investments	17,565,394.00	0.3%	0.0%	-5.0%	5.0%
Portfolio Total	5,066,247,745.19	100.0%			

Upcoming Investment Manager Meetings: There is no upcoming meeting scheduled.

Repayment of Unpaid Royalties Report

Since the September 24, 2020, Board of University and School Lands meeting, one payor has come into compliance for oil deductions:

- WPX

Since the September 24, 2020, Board of University and School Lands meeting, one payor has come into compliance for gas deductions:

- Thunderbird Resources

Note, the majority of payors issue payment with their monthly royalty payment made the last week of every month.

September Report of Shut-Ins Approved by Land Commissioner

Granted to: Burlington Resources Oil and Gas Company, LP
 For the Purpose of: OPERATIONS
 Date Issued: 09/16/2020
 Trust: L– Bank of North Dakota
 Lease: OG-09-01476

I N V E S T M E N T S

Permanent Trust Funds and Legacy Fund Performance Comparison

At the February 2019 Board of University and School Lands (Board) meeting, RVK reviewed a benchmarking performance presentation. This presentation focused on an important aspect of monitoring performance which is the task of appropriately benchmarking performance, including: characteristics of good benchmarks, various options available to benchmark total fund performance and the strengths and limitations of each, and a review of the benchmarks currently used in measuring performance. The presentation also reviewed the merits and challenges of comparing funds that share similar investment objectives and characteristics (at total fund, asset class, and manager level.)

Peer Groups	
Performance Comparison	
• How has the fund performed relative to comparable peer funds?	
Merits	Challenges
<ul style="list-style-type: none"> • Can help provide a comparison to the performance of other investors that are deemed to have similar objectives 	<ul style="list-style-type: none"> • Inconsequential to the purpose of the fund • Funds included in the peer group may have meaningfully different fund characteristics, objectives, and unique constraints, that can significantly drive performance differences in random and unintended ways • Details/characteristics of entities included in the peer group may be unknown and thus relevance of peer group may not be verifiable • Does not capture many of the characteristics of a good benchmark <ul style="list-style-type: none"> -is not investable -is ambiguous -does not capture characteristics of the total fund, asset class, or managers

The Board has requested an updated comparison of the investment performance between the Permanent Trust Funds and Legacy Fund for Fiscal Year 2020. Attached is a presentation prepared by the Department of Trust Lands Investment Staff.

Summary:

- For FY2020 the Permanent Trust Funds (PTFs) returned -1.87%, while the Legacy Fund returned 4.23%. The primary driver of the divergence of returns were the investments in commodities, natural resource equities and master limited partnerships (MLPs) held by the PTFs in the Diversified Inflation Strategies (DIS) allocation.
- The PTFs' DIS allocation was down -18.3% in FY2020. The Legacy Fund's Diversified Real Assets allocation (consisting of TIPS and Infrastructure) was up 7.6% (a -25.9% differential).
- Another area of negative performance for the PTFs' was the Absolute Return allocation. Both mutual funds in the Absolute Return allocation hold primarily international equities and debt, from developed and emerging markets. This had the effect of doubling down on the PTFs' international holdings. The Absolute Return allocation was down -6.5% in FY2020. The Legacy Fund holds no comparable allocation.
- The PTFs did out-perform the Legacy Fund in Domestic Equities 5.1% versus 2.6%. The PTFs also outperform the Legacy Fund in Real Estate 1.4% versus 0.9%, but the outperformance in Domestic Equities and Real Estate were not enough to overcome underperformance relative to Legacy Fund in other areas such as International Equities (-6.4% vs -2.1%) and Fixed Income (4.4% vs 7.7%), as well as the DIS and Absolute Return underperformance mentioned above.
- As the Board is aware the PTFs' new Strategic Asset Allocation will eliminate its concentration in commodities, natural resources equities and MLPs by liquidating the DIS allocation in favor of adding allocations to Private Equity and Private Infrastructure. The Staff will also be recommending a revision to the Fixed Income asset allocation as mentioned to the Board in prior meetings.
- The PTFs' new asset allocation will not necessarily perform better in a severe market correction like we saw earlier this year, but it should provide better long-term returns, lower volatility, and far less correlation to the PTFs' revenues.

Permanent Trust Funds and Legacy Fund Performance Presentation were presented to the Board and are available at the Department upon request.

Fixed Income Asset Allocation Recommended Changes

Department staff and investment consultant RVK would like to recommend to the Board of University and School Lands (Board) changes to the Permanent Trust Funds' (PTFs) Fixed Income Asset Allocation.

The PTFs' Fixed Income Asset Allocation is currently skewed toward lower performing strategies and strategies that have negative risk/return profiles, particularly the JP Morgan (JPM) Intermediate Bond mandate and the Brandywine Global Opportunity mandate. Further, most market participants believe the current low interest rate environment will persist for quite some time, as such the current Fixed Income Asset Allocation will deliver lower returns in the future. To solve for these issues Staff and RVK recommend the following changes to the PTFs' Fixed Income Asset Allocation:

In order to increase portfolio yield and return, staff and RVK recommend terminating the JPM Intermediate Bond mandate and replacing it with a core bond mandate. The JPM intermediate bond fund has underperformed with core bond funds including their own core bond fund as well as the US aggregate bond index. The underperformance is primarily due to the limits on duration risk the manager is allowed to add to the fund. By moving to a core mandate, the Board selected manager will have more flexibility to extend duration prudently when the risk environment warrants.

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As a result of underperformance, staff and RVK recommend terminating the Brandywine Global Opportunity mandate (~\$185 Million) and replacing it with a new Multi-Sector fixed income mandate (\$100 Million). The Brandywine mandate has underperformed both the PTFs' core and intermediate bond mandates, the global aggregate bond index, as well as the multi-sector funds contemplated as replacements. In addition, RVK research shows the Brandywine strategy has a worse risk/return profile versus the multi-sector funds and the global aggregate bond index. Moving to a multi-sector mandate is expected to decrease portfolio risk while increasing returns.

Staff and RVK recommend a reduction in both core bond holdings to fund other fixed income strategies outlined below. The current low interest rate environment is expected to persist for quite some time, as such, staff and RVK believe it would be prudent to increase the PTFs' allocation to Private Credit. Certain Private Credit strategies, such as direct lending, have an attractive risk/return profile and a low default/loss track record. Private Credit would add higher yield to the portfolio at acceptable risk levels.

The recommended fixed income asset allocation would still maintain sufficient liquidity and stability during challenging economic environments, yet would incrementally add both yield and better performing managers to the portfolio.

If approved, The Fixed Income allocation would change accordingly:

Fixed Income	22.2%	Fixed Income	22.2%	Change
Payden & Rygel Long Term	6.6%	Payden & Rygel Long Term	5.4%	-1.2%
JPM FI Intermediate Bond	6.5%	*New* Core Bond Manager	5.3%	-1.2%
Brandywine Global Opp FI	3.7%	*New* Multi-Sector Manager	2.0%	-1.7%
AG Direct Lending Fund III, LP	2.8%	AG Direct Lending Fund III, LP	2.8%	0.0%
Schroders Securitized Credit	2.4%	Schroders Securitized Credit	2.4%	0.0%
n/a	n/a	*New* Private Credit Manager	2.0%	2.0%
n/a	n/a	*New* Private Credit Manager	2.0%	2.0%
PTF Cash	0.0%	PTF Cash	0.0%	0.0%
FLP	0.2%	FLP	0.2%	0.0%
ECLP	0.0%	ECLP	0.0%	0.0%

Motion: **The Board approve the changes to the PTFs' Fixed Income Asset Allocation as indicated below:**

- To authorize the staff to convert the JP Morgan Intermediate bond mandate into a core bond mandate with a manager to be approved by the Board November 2020.
- To authorize the staff to terminate the Brandywine Global Opportunity mandate in a manner that is consistent with the best interests of the PTFs and as market conditions allow.
- To authorize the staff to liquidate sufficient amounts in the Payden & Rygel and JP Morgan fixed income mandates, along with the cash from the Brandywine termination, to fund the addition to Private Credit and a new Multi-Sector fixed income.
- To authorize the staff to recommend investment managers for both Private Credit and Multi-Sector fixed income for future Board approval.

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

(10/29/2020)

JP Morgan Intermediate vs Core Bond Comparison and Brandywine Global Opportunity vs Multi-Sector Comparison documents were presented to the Board and is available at the Department upon request.

Permanent Trust Fund Foreign Investments

The Board of University and School Lands (Board) first began investing the Permanent Trust Funds' (PTFs') in international equity markets in the late 1990's. The current international equity manager composition was implemented in 2014 with the hiring of State Street MSCI World ex US, Harding Loevner, DFA, GMO and PIMCO. QMA was subsequently approved in December 2017. In 2014, the Board determined that investing in emerging markets would provide rewarding returns despite the political and economic risks that come with this type of investment. The greatest advantage of emerging market investments is the potential for high growth in returns. Additionally, emerging markets provide a good diversifier for the portfolio because economic downturns in one country or region, including the United States, can be offset by growth in another.

The Board has historically determined that an enhanced risk/return profile for the PTF's will provide improved long-term performance.

Additionally, it is important to note the Board's Investment Policy Statement include the Prudent Investor Rule and a Social and Economically Targeted Investing provision:

The Prudent Investor Rule

North Dakota statute dictates that the Board apply the prudent investor rule in investing the Permanent Trust Funds under its control. The law states:

The "prudent investor rule" means that in making investments the board shall exercise the same judgment and care, under the circumstances then prevailing and limitations of North Dakota and federal law, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable investment returns.

It is the Board's intent to invest all of the Funds in accordance with the Prudent Investor Rule.

Social and Economically Targeted Investing

Social investing is defined as the practice of aligning one's investment policies with social responsibility. Some of the issues and topics addressed by social investing promoters include environmental causes, avoidance of tobacco producers, avoidance of politically sensitive parts of the world, and workers' rights. With different sets of values, what one investor may deem irresponsible, another may consider good policy.

The Board shall not use the Funds to participate in activist efforts to implement a social agenda regarding ownership of specific securities or efforts of shareholders to bring about social change. Economically targeted investing is defined as an investment designed to create economic benefits for a targeted geographic area, group of people, or sector of the economy. Economically targeted investing is barred when investing the Permanent Trust Funds, the Capitol Building Fund, and the Indian Cultural Education Trust, unless the investment meets the Exclusive Benefit Rule.

S U R F A C E

Fall Surface Lease Auctions

The Department of Trust Lands (Department) Surface Management Division manages more than 706,000 surface acres owned by the various trust funds under the Board of University and School Land's (Board) control. One of the major sources of income from these lands comes from agricultural leases (grassland, crop and hay land uses).

Generations of North Dakotans have leased trust lands for agricultural purposes. The land is leased through a series of auctions held each spring and fall. All auctions are open to the public. The lease is awarded to the highest bidder, with the minimum bid set by the Commissioner based upon the Board's Fair Market Value Minimum Rent Policy. Leasing interest is high and the Department manages nearly 4,800 active surface land leases which is consistent from a decade ago.

N.D.C.C. § 15-04-10 provides:

Leasing to be by auction - Requirements governing. The commissioner of university and school lands, or such other person appointed by the commissioner, shall conduct the leasing of the lands. The leasing must be at public auction, to the highest bidder, and must be held at the county seat. The auction must commence on the day and time specified in the advertisement for the leasing. Notice must be given when the land is offered for lease that all bids are subject to approval by the board.”

Since statehood, the leasing practices of the Department have undergone minimal changes. The most significant shift occurred in 1993 when the Fifty-third Legislative Assembly approved a modification allowing for the auction to be held in the county seat instead of having to be held at the county courthouse or place where the terms of the district court were held. Then in 1995, the Fifty-fourth Legislative Assembly removed language requiring the County Auditor act as the leasing clerk.

The Department recognizes the historical significance of the surface lease auctions and takes any modification to the practices seriously. On April 8, 2020, Governor Burgum issued Executive Order 2020-25 (Executive Order) in response to the public health crisis resulting from COVID-19. The Executive Order suspended the requirement in N.D.C.C. § 15-04-10 that requires the Commissioner of University and School Lands to hold public auctions for public land leasing in the county seat. This provided the Commissioner with flexibility for holding public land auctions in a manner to facilitate social distancing and utilize best management practices to mitigate the spread of COVID-19. As a result of COVID, the Department has shifted the 2020 auctions to an online platform.

In August 2020, the Department sent all lessees from the past 15 years notification that the Fall surface lease auctions would occur online instead of the county seat. As a result of feedback provided to the Department from constituents, the Department modified our procedures. This resulted in an additional mailing being sent to all lessees from the past 15 years. Examples of modified process as a result of feedback are:

- Removed the requirement for bidders to verify bidder allowance from financial institution.
- Created competitive bidding policy to address concerns regarding potential ties.
- Allowed for the submission of checks instead of accepting ACH or wire transfers only.
- Created a “How-To” document and mailed it out to all lessees from the past 15 years.
- Published a Frequently Asked Questions (FAQ) document.

The Department collaborated with the North Dakota Stockman's Association, the Little Missouri Grazing Association, and the McKenzie Grazing Association to assist in disseminating information to constituents.

(10/29/2020)

The Department has published notice of its fall surface lease auction in the official county newspapers where all tracts are located; however, a list of lands offered for leasing in each county has not been submitted to the county treasurers. As a result of the Department’s failure to properly post the auction by sending a list of the tracts in each county to appropriate county treasurers the auction was rescheduled to occur October 20, 2020 to October 23, 2020.

The 2020 Fall Surface Lease Auctions are not complete as the Department works with bidders who are considered to be “tied” or in competition with two or more bidders during the last 120 seconds of the bidding on a tract as demonstrated in the official EnergyNet record.

On Monday, October 26, 2020, the Department reviewed the final report provided by EnergyNet and is currently in the process of reviewing the final bids. Those bidders will be given the opportunity to continue bidding at a time to be scheduled by the Department, with the opening telephone bid being the final EnergyNet bid amount. If a bidder chose not to continue bidding, the bidder may secede to the winning bidder and no additional process is needed.

At this time, the Department is able to offer the following information as a summary of fall lease auctions (every five years the Department has an “off” year in which fall auctions are not held):

Year of Auction	2015	2016	2017	2019	2020
Number of Counties	34	34	40	34	36
Tracts Offered	1044	1498	891	1146	1039
Percentage of Tracts Leased	96%	97%	95%	93%	96%
Percentage of Tracts Receiving Competitive Bid	12%	9%	13%	8%	21%

The Department is currently in the process of contacting bidders on 41 quarter sections as a result of the Last Minute Bid Competition policy:

Currently, the Department of Trust Lands’, by and thru the Board of University and School Lands, is holding surface lease auctions through EnergyNet. In the event there is a “tie” or competition with two or more bidders during the last 120 seconds of the bidding on a tract, and if the official EnergyNet record demonstrates qualifying bid activity, the Department shall contact those bidders involved in the competitive bidding via email by October 30, 2020. Those bidders will be given the opportunity to continue bidding at a time to be scheduled by the Department, with the opening telephone bid being the final EnergyNet bid amount. If a bidder chose not to continue bidding, the bidder may secede to the winning bidder and no additional process is needed.

The Department has received a formal protest of the auction results on four quarter-sections of land that do not qualify for the Last Minute Bid Competition. Mr. Mark Ellis is protesting:

- T155N, R99W, SECTION 16: NW4, SE4, SW4

The Department has received a formal protest of the auction results on one quarter-section of land that do not qualify for the Last Minute Bid Competition. Mr. Trever Sorenson is protesting:

- T158N, R101W, SECTION 16: SE4

The Department has received a formal protest of the auction results on one quarter-section of land that do not qualify for the Last Minute Bid Competition. Mr. Jeff Ellison is protesting:

- T130N, R90W, SECTION 7: NE4

(10/29/2020)

Per N.D.A.C. 84-04-01-09. Board review.

Within thirty days of a decision under these rules, an aggrieved party may request the commissioner review the decision. The aggrieved party seeking review shall submit any information required by the commissioner as part of this request. Within thirty days of the commissioner's review, the aggrieved party may request board review and the commissioner shall recommend if board review is warranted.

The Board will need to make the final determination if the Department is going allow for the bidding to continue on:

- T155N, R99W, SECTION 16: NW4
- T155N, R99W, SECTION 16: SE4
- T155N, R99W, SECTION 16: SW4
- T158N, R101W, SECTION 16: SE4
- T130N, R90W, SECTION 7: NE4

A final summary will be provided during an upcoming Board meeting.

Motion: The Board moves to include those that have applied for the formal appeal process to be included in the tracts moving forward in the telephone auction. Those tracts to be included are as follows: T155N, R99W, Section 16: NW4, SE4, SW4, T155N R101 W Section 16: SE4 and T155N R90W Section 7: NE4.

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

Commissioner Annual Review

Treasurer Schmidt provided the Board with an overview of the finalized Commissioner Annual Review. The Board requested the Commissioner provide goals for the upcoming year at the November Board meeting.

Documents were presented to the Board and are available at the Department upon request.

A D J O U R N

There being no further business, the meeting was adjourned at 11:51 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: October Extension Report
(No Action Requested)

In January 2020, North Dakota Administrative Code § 85-06-01-06 was enacted. It provides the petroleum industry the option to request an extension of their lease.

In October 2020, Continental Resources of Oklahoma City, Oklahoma, received a six-month extension on four leases in Section 30-154N-97W, McKenzie County and two leases in Section 31-154N-97W, McKenzie County. They have a permit to drill the Dallas 4-30 H Well.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Summary of Oil and Gas Lease Auction (No Action Requested)

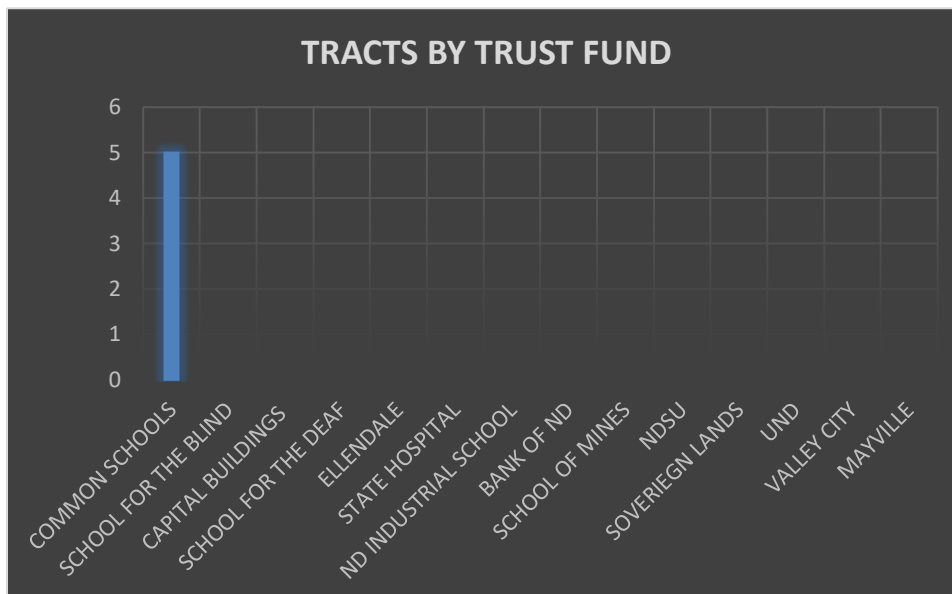
On behalf of the Board of University and School Lands (Board), the Department of Trust Lands conducted an oil and gas mineral lease auction on www.energynet.com which concluded on November 3, 2020

There were 5 tracts offered and all received competitive bids (If the Board does not receive a competitive bid the lease is awarded to the nominator.) The highest bid per acre was \$311.00 for 80 acres in McKenzie County.

County	Tracts/County	Mineral Acres	Total Bonus	Average Bonus/Acres
McKenzie	1	80	\$24,880.00	\$311.00
Williams	4	478.39	\$12,038.14	\$25.16
GRAND TOTAL	5	558.39	\$ 36,918.14	\$66.12

There was a total of 4 bidders who submitted 31 bids on the five tracts. The bidders were from Colorado and North Dakota.

A total of \$36,918.14 of bonus was collected from the auction.



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

(November 24, 2020)

RE: October Report of Encumbrances Issued by Land Commissioner
No Action Requested

Granted to: **PETRO-HUNT LLC, DALLAS-TX**
For the Purpose of: On-lease Activity: Well-Horizontal Oil Well
Right-of-Way Number: RW0008596
Date Issued: 10/8/2020
Application Fee: \$150.00
Right-of-way Consideration: \$15,042.50 *
Damage Payment to Lessee: \$248.68
Trust: A - Common Schools
Length (Rods): 140.85
Area (Acres): 4.71
Legal Description: MOU-158-91-16-SE4, SW4

Granted to: **TESORO HIGH PLAINS PIPELINE COMPANY LLC, SAN ANTONIO-TX**
For the Purpose of: Easement-Amend: Pipeline-Multiple Pipelines
Right-of-Way Number: RW0008775
Date Issued: 10/19/2020
Application Fee: \$250.00
Right-of-way Consideration: \$1,000.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): N/A
Area (Acres): N/A
Legal Description: MCK-147-104-36-NW4

Granted to: **DENBURY ONSHORE LLC, PLANO-TX**
For the Purpose of: Permit: Seismic
Right-of-Way Number: RW0008781
Date Issued: 10/8/2020
Application Fee: \$250.00
Right-of-way Consideration: \$1,510.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): N/A
Area (Acres): 151.00
Legal Description: BOW-131-105-16-NE4, NW4, SW4

Granted to: **CAPITAL ELECTRIC COOPERATIVE INC, BISMARCK-ND**
For the Purpose of: Easement-Amend: Electric-Buried Distribution Line
Right-of-Way Number: RW0008783
Date Issued: 10/8/2020
Application Fee: \$250.00
Right-of-way Consideration: N/A
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): N/A
Area (Acres): N/A
Legal Description: BRL-139-80-36-SW4 LESS ACRES SOLD

Granted to: **WHITING OIL & GAS CORPORATION, DENVER-CO**
For the Purpose of: Assignment: Well-Salt Water Disposal Well
Right-of-Way Number: RW0008784
Date Issued: 10/30/2020
Application Fee: \$250
Right-of-way Consideration: N/A
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): N/A
Area (Acres): N/A
Legal Description: WIL-154-98-16-NE4

Granted to: **MOUNTAIN PLAINS LLC, BISMARCK-ND**
For the Purpose of: Permit: Planning & Preconstruction Survey
Right-of-Way Number: RW0008799
Date Issued: 10/30/2020
Application Fee: \$250
Right-of-way Consideration: \$500.00
Damage Payment to Lessee: N/A
Trust: A - Common Schools
Length (Rods): N/A
Area (Acres): N/A
Legal Description: N/A

* agreement contains a recurring payment requirement

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: October Unclaimed Property Report

(No Action Requested)

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

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

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

For the month of October 2020, the Division received 1,701 holder reports with a property value of \$8,524,433 and paid 175 claims with a total value of \$457,134.

NORTH DAKOTA
BOARD OF UNIVERSITY AND SCHOOL LANDS

Financial Position Report
(Unaudited)

For period ended August 31, 2020



ITEM 2E

Board of University and School Lands

Comparative Financial Position (Unaudited)

Schedule of Net Assets

Assets by Trust:	August 31, 2020	August 31, 2019
Common Schools	\$4,846,323,220	\$4,592,633,559
North Dakota State University	73,966,556	71,062,312
School for the Blind	13,211,870	12,544,333
School for the Deaf	21,614,918	20,945,205
State Hospital	14,598,220	14,390,689
Ellendale *	23,645,804	21,595,613
Valley City State University	13,161,041	12,763,523
Mayville State University	8,516,046	7,995,098
Youth Correctional Center	25,121,365	23,698,276
State College of Science	19,075,642	17,846,590
School of Mines **	22,773,302	21,627,582
Veterans Home	5,384,155	5,291,930
University of North Dakota	35,823,255	33,983,149
Capitol Building	5,574,098	6,656,772
Strategic Investment and Improvements	387,192,169	699,939,497
Coal Development	70,907,338	70,501,490
Indian Cultural Education Trust	1,282,529	1,265,835
Theodore Roosevelt Presidential Library	15,662,017	15,107,096
Total	\$5,603,833,545	\$5,649,848,549
Assets by Type:		
Cash	114,763,047.00	99,117,920
Receivables	6,381,081	10,058,512
Investments ***	5,416,212,809	5,459,210,682
Office Building (Net of Depreciation)	366,750	428,010
Farm Loans	6,912,781	8,959,194
Energy Construction Loans	923,408	958,980
Energy Development Impact Loans	10,413,074	11,147,920
School Construction Loans (Coal)	39,029,507	41,502,299
Due to/from Other Trusts and Agencies	8,831,088	18,465,032
Total	\$5,603,833,545	\$5,649,848,549

*** Ellendale Trust**

The following entities are equal beneficiaries of the Ellendale Trust:

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

**** School of Mines**

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

***** Investments**

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

Board of University and School Lands

Comparative Financial Position (Unaudited)

Combined Permanent Trusts

	August 31, 2020	August 31, 2019
Balance Sheet		
Assets:		
Cash	\$77,704,857	\$56,908,568
Interest Receivable	5,082,784	6,413,295
Investments	5,040,166,379	4,780,915,203
Farm Loans	6,912,781	8,959,194
Energy Construction Loans	923,408	958,980
Due from Other Agencies	8,731,309	18,379,404
Office Building (Net of Depreciation)	366,750	428,010
Total Assets	\$5,139,888,268	\$4,872,962,654
Liabilities:		
Unclaimed Property Claimant Liability	\$16,645,538	\$16,551,604
Due to Other Trusts	-	-
Due to Other Funds	27,335	33,191
Accounts Payable	-	-
Total Liabilities	16,672,873	16,584,795
Equity:		
Fund Balance	4,892,120,248	4,919,177,984
Net Income/(Loss)	231,095,147	(62,800,125)
Total Liabilities and Equity	5,139,888,268	\$4,872,962,654
Income Statement		
Income:		
Investment Income	\$10,066,200	\$13,144,443
Realized Gain/(Loss)	17,427,117	(9,077,447)
Unrealized Gain/(Loss)	213,918,918	(76,957,896)
Royalties - Oil and Gas	153,309	4,567,574
Royalties - Coal	(31)	45,172
Royalties - Aggregate	20,837	7,286
Bonuses - Oil and Gas	915,553	7,543,944
Bonuses - Coal	-	-
Rents - Surface	300,387	669,698
Rents - Mineral	141,955	75,057
Rents - Coal	1,600	-
Rents - Office Building	-	-
Gain/Loss on Sale of Land - OREO	-	-
Sale of Capital Asset	-	25,000
Oil Extraction Tax Income	8,731,309	18,379,404
Unclaimed Property Income	337,697	(28,993)
Total Income	252,014,851	(41,606,758)
Expenses and Transfers:		
Investment Expense	133,104	89,338
In-Lieu and 5% County Payments	-	-
Administrative Expense	388,013	592,581
Operating Expense - Building	23,587	136,448
Transfers to Beneficiaries	20,375,000	20,375,000
Total Expense and Transfers	20,919,704	21,193,367
Net Income/(Loss)	\$231,095,147	(\$62,800,125)

Board of University and School Lands

Comparative Financial Position (Unaudited)

Capitol Building Trust

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
<u>Balance Sheet</u>		
Assets:		
Cash	\$372,722	\$74,161
Interest Receivable	24,486	41,175
Investments	5,176,890	6,541,436
Total Assets	<u><u>\$5,574,098</u></u>	<u><u>\$6,656,772</u></u>
Liabilities:		
Due to Other Trusts and Agencies	\$0	\$0
Equity:		
Fund Balance	5,535,786	6,548,608
Net Income	38,312	108,164
Total Liabilities and Equity	<u><u>\$5,574,098</u></u>	<u><u>\$6,656,772</u></u>
<u>Income Statement</u>		
Income:		
Investment Income	\$15,469	\$28,691
Realized Gain(Loss)	269	12,645
Unrealized Gain/(Loss)	908	(1,518)
Rents - Surface	-	1,207
Rents - Mineral	1,202	802
Royalties - Oil and Gas	24,481	69,995
Bonuses - Oil and Gas	2,160	802
Bonus - Coal	-	-
Royalties - Aggregate	-	-
Total Income	<u>44,489</u>	<u>112,624</u>
Expenses and Transfers:		
Investment Expense	770	695
In-Lieu and 5% County Payments	-	-
Administrative Expense	5,407	3,765
Transfers to Facility Management	-	-
Total Expense and Transfers	<u>6,177</u>	<u>4,460</u>
Net Income/(Loss)	<u><u>\$38,312</u></u>	<u><u>\$108,164</u></u>

ITEM 2E

Board of University and School Lands

Comparative Financial Position (Unaudited)

Coal Development Trust

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
Balance Sheet		
Assets:		
Cash	\$455,029	\$1,951
Interest Receivable	78,220	151,367
Investments	20,831,413	17,612,323
Coal Impact Loans	10,413,074	11,147,920
School Construction Loans	39,029,507	41,502,299
Due from other Trusts and Agencies	281,123	285,426
Total Assets	<u>\$71,088,366</u>	<u>\$70,701,286</u>
Liabilities:		
Due to Other Trusts and Agencies	\$181,029	\$199,798
Equity:		
Fund Balance	70,750,579	70,296,353
Net Income	156,758	205,135
Total Liabilities and Equity	<u>\$71,088,366</u>	<u>\$70,701,286</u>
Income Statement		
Income:		
Investment Income	\$61,737	\$76,651
Interest on School Construction Loans	16,488	15,317
Realized Gain/(Loss)	1,080	33,643
Unrealized Gain/(Loss)	3,644	(4,058)
Coal Severance Tax Income	77,584	85,628
Total Income	<u>160,533</u>	<u>207,181</u>
Expenses and Transfers:		
Investment	3,375	1,900
Administrative	400	146
Transfers to General Fund	-	-
Total Expense and Transfers	<u>3,775</u>	<u>2,046</u>
Net Income/(Loss)	<u>\$156,758</u>	<u>\$205,135</u>

ITEM 2E

Board of University and School Lands

Comparative Financial Position (Unaudited)

Strategic Investment and Improvements Fund

	August 31, 2020	August 31, 2019
Balance Sheet		
Assets:		
Cash	\$36,093,555	\$27,025,672
Interest Receivable	1,208,956	3,451,904
Investments	349,889,658	669,461,921
Due from other Trusts or Agencies	-	-
Total Assets	\$387,192,169	\$699,939,497
Liabilities:		
Accounts Payable	\$0	\$0
Equity:		
Fund Balance	767,541,457	1,134,326,018
Net Income	(380,349,288)	(434,386,521)
Total Liabilities and Equity	\$387,192,169	\$699,939,497
Income Statement		
Income:		
Investment Income	\$1,033,009	\$3,012,138
Realized Gain/(Loss)	17,337	1,229,346
Unrealized Gain/(Loss)	58,479	(135,347)
Interest on Fuel Prod Facility	1,481	-
Royalties - Oil and Gas	507,458	2,850,176
Bonuses - Oil and Gas	313,056	849,426
Royalties - Coal	4,664	12,728
Rents - Mineral	43,024	39,179
Tax Income - Oil Extraction & Production Distribution	-	-
Total Income	1,978,508	7,857,646
Expenses and Transfers:		
Administrative	(33,723)	245,123
Investment Expense	(11,283)	37,501
Transfers to General Fund	382,200,000	382,200,000
Transfer to Commerce Department		3,000,000
Transfer to Energy Infrastructure & Impact Office		2,000,000
Transfer to Aeronautics Commission		20,000,000
Transfer from ND Parks & Recreation		1,877,500
Transfer to Information Technology Department		5,150,000
Transfer to Industrial Commission		270,000
Transfer to Bank of North Dakota		25,137,707
Transfer to Office of Management & Budget	172,802	2,502,253
Transfer from Public Service Commission		(52,818)
Transfer from Department of Health Department		(67,310)
Transfer from Attorney General Office		(6,387)
Transfer from State Highway Patrol		(49,403)
Total Expense and Transfers	382,327,796	442,244,167
Net Income/(Loss)	(380,349,288)	(\$434,386,521)

As of August 31, 2020 the SIIF had a fund balance of \$387,192,169. The fund balance is made up of two parts. The committed fund balance is that portion of the fund that has either been set aside until potential title disputes related to certain riverbed leases have been resolved or appropriated by the legislature. The uncommitted fund balance is the portion of the fund that is unencumbered, and is thus available to be spent or dedicate to other programs as the legislature deems appropriate. The uncommitted fund balance was \$96,372,531 as of August 31, 2020.

ITEM 2E

Board of University and School Lands

Comparative Fiduciary Statements (Unaudited)

Indian Cultural Trust

	August 31, 2020	August 31, 2019
Fiduciary Net Position		
Assets:		
Cash	\$ 3,334	\$ 472
Interest receivable	446	771
Investments	1,278,749	1,264,592
Total Assets	<u>1,282,529</u>	<u>1,265,835</u>
Liabilities:		
Accounts payable	-	-
Total Liabilities	-	-
Net Position:		
Net position restricted	1,282,529	1,265,835
Total Net Position	<u>\$ 1,282,529</u>	<u>\$ 1,265,835</u>
Changes in Fiduciary Net Position		
Additions:		
Contributions:		
Donations	-	-
Total Contributions	<u>\$ -</u>	<u>\$ -</u>
Investment Income:		
Net change in fair value of investments	58,731	(22,815)
Interest	2,521	3,404
Less investment expense	-	(21)
Net Investment Income	<u>61,252</u>	<u>(19,432)</u>
Miscellaneous Income	(32)	2
Total Additions	<u>61,220</u>	<u>(19,430)</u>
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	-	-
Total Deductions	<u>-</u>	<u>-</u>
Change in net position held in Trust for:		
Private-Purpose	61,220	(19,430)
Total Change in Net Position	<u>61,220</u>	<u>(19,430)</u>
Net Position - Beginning FY Balance	1,221,309	1,285,265
Net Position - End of Month	<u>\$ 1,282,529</u>	<u>\$ 1,265,835</u>

Board of University and School Lands
Comparative Fiduciary Statements (Unaudited)

Theodore Roosevelt Presidential Library

	August 31, 2020	August 31, 2019
Fiduciary Net Position		
Assets:		
Cash	\$ 133,551	\$ 15,107,096
Interest receivable	(13,810)	-
Investments	15,542,592	-
Total Assets	<u>15,662,332</u>	<u>15,107,096</u>
Liabilities:		
Accounts payable	315	-
Total Liabilities	<u>315</u>	<u>-</u>
Net Position:		
Net position restricted	15,662,017	15,107,096
Total Net Position	<u>\$ 15,662,332</u>	<u>\$ 15,107,096</u>
Changes in Fiduciary Net Position		
Additions:		
Contributions:		
Donations	-	-
Total Contributions	<u>\$ -</u>	<u>\$ -</u>
Investment Income:		
Net change in fair value of investments	713,069	-
Interest	30,605	-
Less investment expense	388	-
Net Investment Income	<u>743,287</u>	<u>-</u>
Miscellaneous Income	25	56,347
Total Additions	<u>743,311</u>	<u>56,347</u>
Deductions:		
Payments in accordance with Trust agreement	-	-
Administrative expenses	315	-
Total Deductions	<u>315</u>	<u>-</u>
Change in net position held in Trust for:		
Private-Purpose	743,626	56,347
Total Change in Net Position	<u>743,626</u>	<u>56,347</u>
Net Position - Beginning FY Balance	14,918,706	15,050,748
Net Position - End of Month	<u>\$ 15,662,332</u>	<u>\$ 15,107,095</u>

ITEM 2E

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Investment Updates
(No Action Requested)

Portfolio Rebalancing Updates

As Van Eck Natural Resources was fully liquidated October 16, 2020. Harvest is the only investment in the Diversified Inflation Strategies asset class with approximately \$102M. The Department Staff and RVK continuously monitor the trigger points set for the account and will complete the liquidation when appropriate.

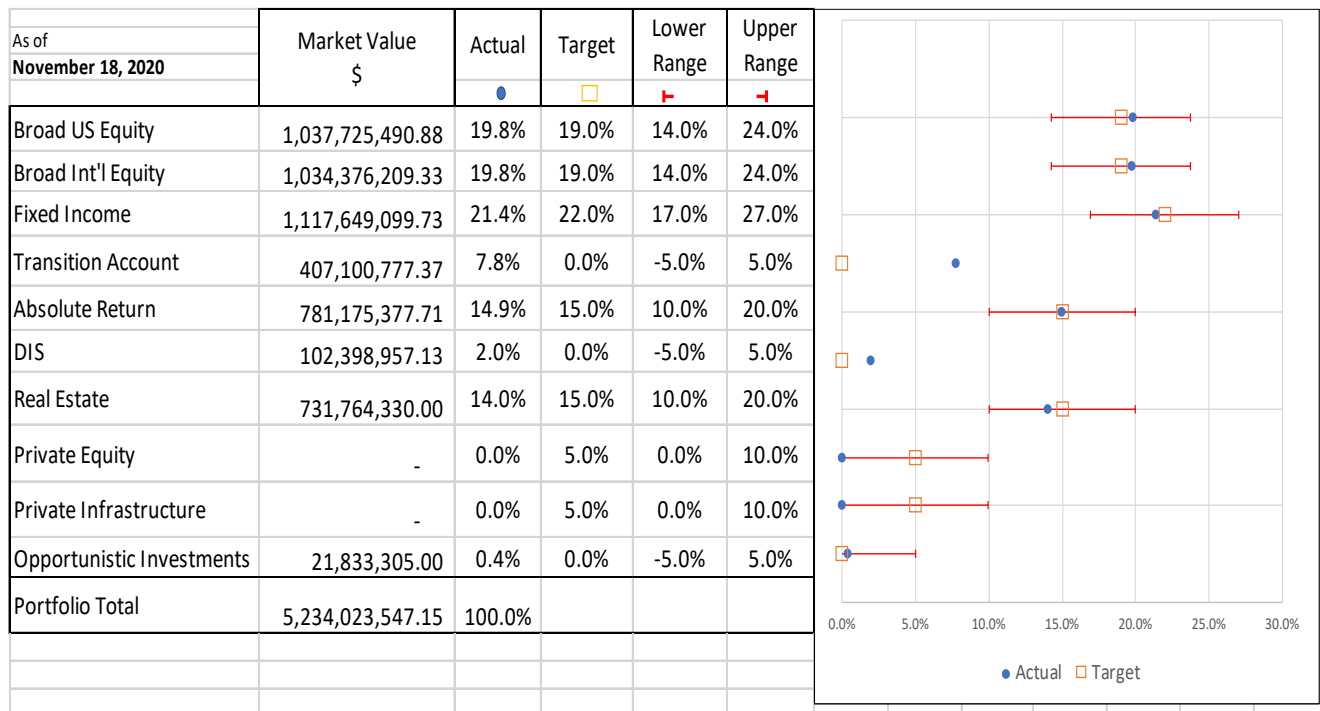
Since being approved for a \$100M investment commitment, Apollo Accord Fund IV LP (Fund), an Opportunistic Investment, has called on a total of \$5.5M bringing the remaining unfunded commitment to \$94,500,000.

Varde Dislocation Fund IV LP, an Opportunistic Investment, has called on another \$5M from our capital commitment bringing our total investment to \$15M. The remaining unfunded commitment is \$85M.

The Department Staff is actively working on both the Agreements for GCM Grosvenor (Private Equity Manager) and JP Morgan (Private Infrastructure Manager) that were approved at the August 27, 2020 and September 24, 2020 Board of University and School Lands meetings.

Asset Allocation

The table below shows the status of the permanent trusts' asset allocation as of Nov. 18, 2020. The figures provided are unaudited.



Upcoming Investment Manager Meetings

There is no upcoming meeting scheduled.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Fall Surface Lease Auctions

The 2020 fall lease auctions were conducted online from October 12, 2020 to October 23, 2020. The majority of leases that qualified for Last Minute Bid Competition Policy have been completed. Additionally, those tracts that were approved to be re-opened at the October 29, 2020 Board of University and School Lands (Board) meeting were completed, see list of tracts below:

- T155N, R99W, SECTION 16: NW4
- T155N, R99W, SECTION 16: SE4
- T155N, R99W, SECTION 16: SW4
- T158N, R101W, SECTION 16: SE4
- T130N, R90W, SECTION 7: NE4

The Department of Trust Lands (Department) has received six protests to the online surface lease auction outcomes. Per N.D.A.C. 84-04-01-09. Board review.

Within thirty days of a decision under these rules, an aggrieved party may request the commissioner review the decision. The aggrieved party seeking review shall submit any information required by the commissioner as part of this request. Within thirty days of the commissioner's review, the aggrieved party may request board review and the commissioner shall recommend if board review is warranted.

The Department has received a formal protest of the auction results on one quarter-section of land that does not qualify for the Last Minute Bid Competition. Mr. Trever Sorenson is protesting:

- T158N, R101W, SECTION 16: NE4

The Department has received a formal protest of the auction results on three quarter-sections of land that do not qualify for the Last Minute Bid Competition. Mr. Rick Thorlaksen is protesting:

- T159N, R93W, SECTION 16: NW4
- T159N, R93W, SECTION 16: SE4
- T159N, R93W, SECTION 16: SW4

The Department has received a formal protest of the auction results on two quarter-sections of land that do not qualify for the Last Minute Bid Competition. Mr. Raymond Fox is protesting:

- T157N, R90W, SECTION 16: SE4
- T157N, R90W, SECTION 16: SW4

The Department has received a formal protest of the auction results on one quarter-section of land that does not qualify for the Last Minute Bid Competition. Mr. Jason Folvag is protesting:

- T158N, R101W, SECTION 16: NW4

The Department has received a formal protest of the auction results on one quarter-section of land that does not qualify for the Last Minute Bid Competition. Mr. James Voigt is protesting:

- T146N, R92W, SECTION 16: S2S2

The Department has received a formal protest of the auction results on one quarter-section of land that does not qualify for the Last Minute Bid Competition. Mr. Brian Zingleman is protesting:

- T148N, R98W, Section 16: NE4

The Department has received a formal protest of the auction results on the auction results on three quarter-sections of land. These tracts qualify for the Last Minute Bid Competition Policy. The request from Mr. Stephen Kranz is to open the bidding at the fair-market value price instead of the last bid price. The tracts being protested are:

- T147N, R82W, SECTION 28: NE4
- T147N, R82W, SECTION 28: NW4
- T149N, R82W, SECTION 25: SE4

The Board will need to make the final determination if the Department is going allow for the bidding to continue on:

- T158N, R101W, SECTION 16: NE4
- T159N, R93W, SECTION 16: NW4
- T159N, R93W, SECTION 16: SE4
- T159N, R93W, SECTION 16: SW4
- T157N, R90W, SECTION 16: SE4
- T157N, R90W, SECTION 16: SW4
- T158N, R101W, SECTION 16: NW4
- T146N, R92W, SECTION 16: S2S2
- T147N, R82W, SECTION 28: NE4
- T147N, R82W, SECTION 28: NW4
- T149N, R82W, SECTION 25: SE4
- T148N, R98W, Section 16: NE4

A final summary will be provided during an upcoming Board meeting.

Recommendation:

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

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Board of University and School Lands Policy Manual

In House Bill 1300, the Sixty-fifth Legislative Assembly directed the Board of University and School Lands (Board) no longer be exempt from the Administrative Agencies Practice Act (Act). In Senate Bill 2264, the Sixty Sixth Legislative Assembly directed the Board be exempt from the adjudicative proceeding requirements and procedures under North Dakota Century Code §§ 28-32-21 through 28-31-51 of the Act.

The Board's Administrative Rules are found in Title 85 of the North Dakota Administrative Code. Revisions to rules concerning General Administration and rules for Surface Land Management and Minerals Management are currently before the Legislative Administrative Rules Committee. Those rules were reviewed by the Attorney General's Office and are currently scheduled to be presented to the Administrative Rules Committee on December 1, 2020, to become effective January 1, 2021. If those rules become effective January 1, 2021, it will be necessary to simultaneously repeal certain Board policies and to implement new Board policies.

The Board currently has a Policy Manual (Board Policy Manual) which includes sections titled Governance, General, Surface Land Management, Investments, and Minerals. It is necessary to revise certain Board policies due to the proposed Administrative Rules. The Department recommends the following current policies be repealed and replaced with the revised policies upon enactment of the proposed Administrative Rules as follows:

- Land Retention and Sales Policy, to become Limited Land Sales Policy
- Acquired Properties Management, to become Non-Grant Land Acquired After January 1, 2020 Through Foreclosure or Deed in Lieu of Foreclosure

Other policies have been incorporated into the proposed Administrative Rules and can be repealed upon enactment of the proposed Administrative Rules as follows:

- Chapter 15-09 Sales Policy
- Sale of State Land for Landfills
- Criteria for Retaining Foreclosed Property
- Enforcement of 1979 Oil and Gas Lease Form Provisions Relating to Offset Wells

If the Administrative Rules become effective January 1, 2021, the Board Policy Manual will be revised to remove repealed policies and to include those proposed new policies. Should the Administrative Rules not become effective January 1, 2021, there will be no repeal of the current Board policies or implementation of the revised policies. Therefore, the repeal of the Board Policies and implementation of those new policies is contingent on the Administrative Rules being adopted, with the Board Policy Manual being revised to remove those repealed policies and add the revised policies effective the date the Administrative Rules are implemented.

In addition, the Board repealed a policy on August 30, 2018 titled Railroad Rights-of-Way Ownership. It was later determined that a Board policy would be helpful in memorializing the position of the Board concerning Abandoned Railroad Right of Way Ownership and the attached proposed policy was created. The policy on Abandoned Railroad Right of Way Ownership should be implemented on January 1, 2021, regardless of the enactment of the Administrative Rules as it is not addressed by the proposed Administrative Rules.

The Commissioner is requesting the Board provide input on the proposed revised North Dakota Board of University and School Lands policies. This is the “first reading” of the proposed policies, with suggestions being taken into consideration and a “second reading” to occur on December 17, 2020.

Attachment 1: Board of University and School Lands Limited Land Sales Policy

Attachment 2: Board of University and School Lands Non-Grant Land Policy

Attachment 3: Board of University and School Lands Abandoned Railroad Right of Way Ownership

LIMITED LAND SALES

The board shall retain and manage trust lands for economic productivity of all lands held in public trust which is dependent on sound stewardship, including the protection and enhancement of land integrity for use by this and future generations.

General Authority: N.D. Admin. Code chs. 85-04-06, 85-04-07, 85-04-08, 85-04-09

Effective Date: May 28, 1981

Revised: January 1, 2021

**NON-GRANT LAND ACQUIRED AFTER JANUARY 1, 2020 THROUGH FORECLOSURE
OR DEED IN LIEU OF FORECLOSURE**

Lease to a former owner

The former owner of the acquired property means the original mortgagor or, with the original mortgagor's consent, members of the original mortgagor's immediate family including father, mother, son, daughter, brother, sister, or spouse. Acquired property may be leased to the former owner as follows:

1. If the former owner wants to continue operating, living, or both on the acquired property, the acquired property may be leased to the former owner for up to a five-year term if the former owner has made a good faith effort to settle the previous mortgage. In determining whether a good faith effort has been made, the Department may consider the following:
 - a. If taxes are paid in full through the date of transfer of the deed;
 - b. If a deedback was negotiated and either completed or, if not completed, it was through no fault of the former owner;
 - c. If the former owner has made an attempt to pay the mortgage as shown by past payment history; and
 - d. Other reasonable considerations as determined by the Board.
2. After the initial lease to the former owner expires, the property may be leased or sold at public auction.
3. Notwithstanding subsections 1 and 2 above, property subject to a Conservation Reserve Program (CRP) contract which has not been accepted by the Commissioner, or Commissioner's agent as successor in interest, may be sold at public auction.

Leases to other than the former owner

If the former owner does not want to lease or purchase the acquired property, or if a mutually acceptable rental agreement cannot be reached, the acquired property will be leased in accordance with N.D. Admin. Code ch. 85-04-01.

Division of tracts for lease

Acquired property may be leased in as many separate tracts as determined by the Commissioner.

Improvements and fixtures

Permanent improvements (buildings, wells, dams, water holes, water lines, trees, grass seedings, etc.) are subject to the provisions of N.D.C.C. § 15-08-26 and N.D. Admin. Code ch. 85-04-03.

1. All improvements, fixtures, and other materials on acquired property at the time of acquisition are the property of the State and may be sold at public auction, by sealed bid, or by private sale.

2. In the event an improvement is damaged or destroyed by an event covered by the Department's insurance, the improvement may either be repaired or abandoned at the discretion of the Commissioner.

CRP

Acquired lands may be entered into CRP or existing CRP contracts may be accepted at the sole discretion of the Commissioner pursuant to N.D.C.C. § 15-07-20 provided:

1. The sale value of the acquired lands shall not be reduced.
2. The State shall appear as the sole owner on the CRP contract.
3. If it is in the best interests of the State, the Commissioner may negotiate a maintenance contract for seeding, weed control, stand maintenance, or other activities which may be required to comply with the CRP contract without public auction.

Insurance

Houses, barns, bins, or other improvements may be insured for property loss by the lessor, but the lessor is not required to insure such improvements when it is not in the best interests of the trusts.

Utilities

Lessee shall be liable for payment of any utility costs incurred by the lessee.

General Authority: N.D.C.C. ch. 15-07; N.D. Admin. Code 85-04-03

Effective Date: January 1, 2021

Revised:

ABANDONED RAILROAD RIGHT OF WAY OWNERSHIP

A railroad right-of-way is only an easement; therefore, if the Board sold property on which a railroad right-of-way existed, the Board's sale removed the Board's interest in the surface estate and any reversionary interest belongs to the tract's current owner, without regard to the various reservation language statements in the conveyance documents. If a request is made concerning ownership of an abandoned railroad right-of-way, the Department will issue a letter to the current surface owner addressing the Board's reversionary property interest and file an affidavit disclaiming title to the surface estate.

General Authority:

Effective Date: January 1, 2021

Revised:

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

Date November 24, 2020

RE: Audited Financial Statements for the Year Ended June 30, 2020

(No Action Requested)

Eide Bailly CPAs and Business Advisors has completed its review of the financial statements of the Department of Trust Lands for the year ended June 30, 2020 and provided an opinion on the fair presentation of the financial statements.

The draft report identified no audit findings or recommendations.

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

Attachment – Department of Trust Lands Audited Financial Statement Fiscal Year 2020

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Proposed Legislation for 2021
(No Action Requested)

The Department of Trust Lands (Department) intends to propose legislation, including but not limited to the following:

2016 Revised Uniform Unclaimed Property Act

The Department is recommending the adoption of the 2016 Revised Uniform Unclaimed Property Act to provide necessary updates to the 1981 Act that was implemented in 1985.

Grant North Dakota Game and Fish Authority to Enforce State Laws and Rules on Trust Lands

The Department is seeking to modify N.D.C.C. § 20.1-02-15.1 to grant North Dakota Game and Fish authority to enforce state laws and rules on lands owned and managed by the Board of University and School Lands to allow the Department to better manage assets.

Surface Leasing

The Department is seeking authority for surface lease auctions held after January 1, 2022, to be held at a regional public auctions, with the regions to be provided in the Board's Administrative Rules, instead of being held in each county seat.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Fixed Income – Core Bond Manager

During its October 29, 2020 meeting, the Board of University and School Lands' (Board) approved changes to the Fixed Income Asset Allocation for the Permanent Trust Funds (PTFs) "to convert the JP Morgan Intermediate bond mandate into a core bond mandate with a manager to be approved by the Board November 2020."

At that meeting, to increase portfolio yield and return, the Department of Trust Lands' (Department) and RVK recommended termination of the JP Morgan (JPM) Intermediate Bond mandate and replacing it with a core bond mandate. The JPM Intermediate Bond fund has underperformed with core bond funds including JPM's Core Bond Fund as well as the US aggregate bond index. The underperformance is primarily due to the limits on duration risk the manager can add to the fund. A core bond mandate will have more flexibility to extend duration prudently when the risk environment warrants and thus pick-up incremental yield.

The Department and RVK began the manager search by compiling a list of four of the top performing core bond managers within RVK's database, including JPM's Core Bond Fund. The performance and risk history of each manager was reviewed, along with fees, asset quality, asset characteristics, and investment structures. Each of the four managers were interviewed by the Department and RVK to review their investment strategies and investment processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board continue its relationship with JPM in a core bond mandate. JPM's Core Bond mandate has performed well on a risk/return basis and its fees, including the relationship discount, make it attractive for the PTFs.

JPM is headquartered in New York and has offices throughout the U.S. and the world. JPM has over \$658 Billion in fixed income assets under its management and over 265 fixed income investment professionals with expertise in various areas of the fixed income market.

JPM has agreed to maintain the separate account structure and related fees that were in effect for the intermediate bond mandate. If approved, the transition would occur over the next few months as market conditions allow.

Recommendation: The Board approve a conversion of the JP Morgan Intermediate Bond mandate to a core bond mandate with JP Morgan, subject to final review and approval of all legal documents by the Office of the Attorney General.

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

Attachment 1: RVK Recommendation Memo

Attachment 2: JP Morgan Core Bond Presentation



Memorandum

To	North Dakota Board of University and School Lands
From	RVK, Inc.
Subject	Core Fixed Income Search and Recommendation
Date	November 11, 2020

Overview

As a component of the on-going review of the fixed income portfolio, RVK recommended initiating a search for a core fixed income manager to replace the intermediate mandate currently managed by JP Morgan. Although “core” and “intermediate” fixed income are very similar in nature, there are some notable differences in terms of duration, maturity, and benchmark sector inclusion. As the overall fixed income portfolio evolves to include more private credit and lower exposure to traditional investment grade markets, we believe that the typical characteristics of a core mandate provide more of the key attributes desired from this component of the portfolio than an intermediate mandate. In particular, protection from deflation and equity market downside is likely to be modestly more prominent in a core strategy than an intermediate strategy.

Core fixed income typically refers to the entire spectrum of liquid US investment grade fixed income. Primary components include Treasury, Agency, Corporate, and Agency Mortgage Backed Securities (MBS). Intermediate mandates tend to focus on a narrower band of maturities, generally between 1 – 10 years. As such, they tend to have a lower duration profile and the indices often do not include MBS given their longer maturity profile.

Recommendation

Based on the manager search process and due diligence performed, **Staff and RVK recommend the Board shift the Land Board’s existing JP Morgan Intermediate Fixed Income mandate to JP Morgan Core Fixed Income strategy. Total funding amount will be approximately \$260 million (23% of the Land Board’s fixed income portfolio and 5.2% of the Total Fund).** While all finalists were high quality firms, JP Morgan exhibited advantages over the other finalists including being an existing Land Board’s manager, broad market exposure, an attractive risk/return profile, a comprehensive and repeatable investment process, and attractive fees.

Manager Search Process

The RVK Investment Manager Research team maintains working relationships with many institutional-quality fixed income asset managers. Leveraging this knowledge and experience, the fixed income research team built an initial list of what RVK considers best in class asset managers who possess the experience, scale, and scope to oversee such a mandate. Based on these criteria, the initial list of candidates included three new core managers and two incumbent managers.



RVK and the Land Board’s Investment Staff reviewed the characteristics of these five strategies such as assets under management, performance (absolute and risk adjusted, both trailing and rolling time periods), fees, firm structure, team stability, and investment philosophy and process. RVK and Staff were further able to narrow the list of candidates down to three candidates, which were invited for virtual interviews on October 9th and October 12th, 2020. Participants from the asset manager’s side included the Chief Investment Officer and lead portfolio manager for each firm’s proposed core strategy.

After the three interviews RVK and Staff discussed and re-ranked the strategies based on the following criteria: product assets under management, longevity of the strategy, performance track record, experience of the investment team, performance attribution, and fees. Both RVK and Staff agree the Land Board’s two incumbent managers ranked well against the other three managers. As the current JPMorgan mandate is for an intermediate strategy, staff was able to confirm swapping the mandate to a core fixed income mandate will have no impact on fees.

Fee Comparison

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

Manager	Management Fee*
Manager 1	0.23%
Manager 2	0.16%
Manager 3	0.23%
JPMorgan (Incumbent)	0.13%
Payden & Rygel (Incumbent)	0.17%

** Fee calculated based on a \$260 million mandate size*

As mentioned above, after the interviews it was determined that the two incumbent managers ranked well against the other three core managers. As such staff asked JPMorgan if they would offer the same fee schedule for a core mandate versus the existing intermediate one.

RVK considers these incumbent managers’ fees to be competitive within the space.

For context, the median fee for a \$260 million core fixed income mandate is approximately 21 basis points.



Supplemental Information

Attached are: (1) Search Process Screening Criteria (2) JPMorgan Core Fixed Income Summary and (3) Comparative Performance Analysis.

Appendix 1: Search Process Screening Criteria

Organization

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

Professional Staff

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

Investment Philosophy/Process

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

Performance

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

Risk Management/Operations

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

Fees

- Relative to other respondents

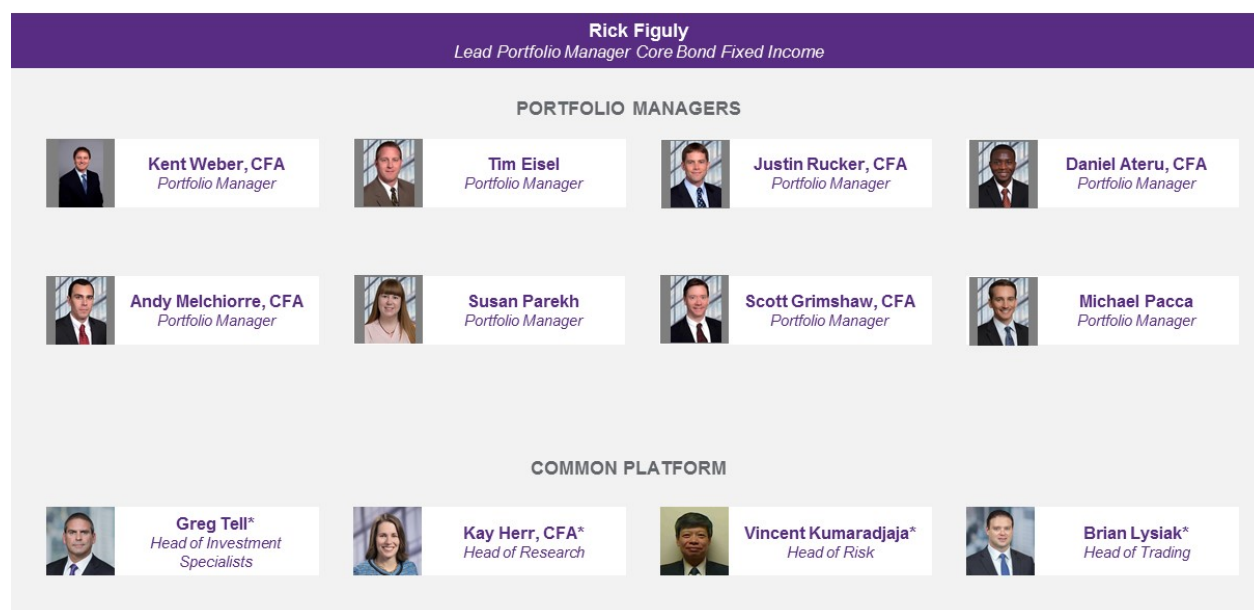
Appendix 2: J.P. Morgan Core Bond Strategy

Firm

Formed in 1863, J.P. Morgan Asset Management (JPM) began its most recent period of development in 2000 following the merger of J.P. Morgan & Co. Incorporated and The Chase Manhattan Corporation. As of September 30th, 2020, the firm manages \$2.2 trillion in assets under management across equities, fixed income, and alternatives. The firm has a diverse client base, including institutional, retail, and private banking clients, the majority of which is institutional.

Team

JPM's Core Bond strategy is managed by their U.S. Broad Markets team, who is also responsible for their Core Plus, Short Duration, Government, Mortgages, Inflation Linked and Intermediate strategies. As such, the investment team that currently manages the Land Board's intermediate mandate will be the same one that will manage the core mandate. The team is headed by Steve Lear, U.S. CIO but primary portfolio responsibility falls on Rick Figuly, who resides in Columbus. The chart below shows the full Core Bond Investment Team.



Source: JPM

The portfolio management team also relies on the Global Investment Grade Credit Team, which includes 19 analysts located in New York, London and Columbus. Additionally, they have access



to the Global Securitized Research team of 6 analysts.

Investment Process

The JPM Core Bond strategy is designed to outperform the Bloomberg Barclays US Aggregated Index by 50-100 basis points (gross of fees) annually over a typical market cycle. The strategy focuses on adding value primarily through a bottom-up, value-oriented approach that seeks to identify inefficiently priced securities. By design, the team focuses on a fundamental based security selection approach to generate the majority of the potential excess return. Overall portfolio duration and yield curve decisions are de-emphasized. The investment team has a bias towards securitized sectors, defined as mortgage-backed securities (MBS) and asset-backed securities (ABS).

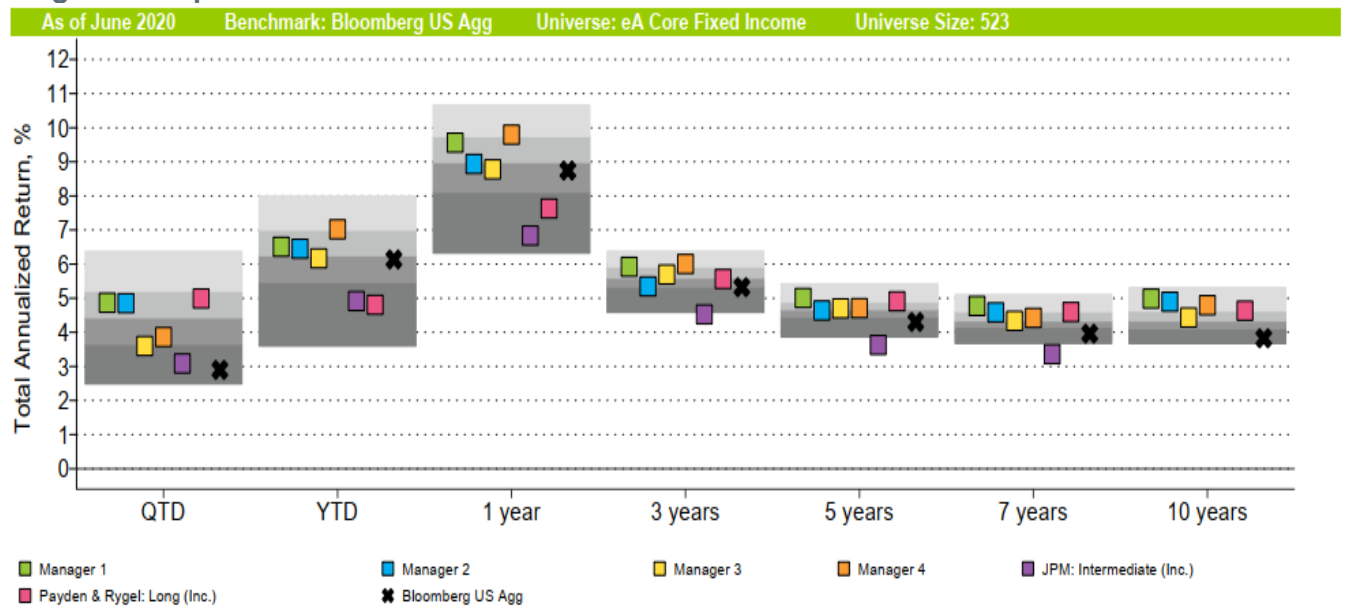
Sector allocation decisions are based on a broad sector and expected return outlook and valuation analysis combined with the bottom up assessment of individual securities. In terms of quality, portfolio holdings are restricted to investment -grade securities with over 60% of the holdings historically rated AAA at purchase.

Ninety-five percent of research is generated internally and covers three areas: fundamental credit research and individual security analysis, qualitative company analysis, and the fixed income market. Security research involves analyses such as OAS analysis, total return analysis, susceptibility to changes in prepayments and other structural and/or covenant issues.

Portfolios are typically 100% USD, consist of predominately AAA securities, with no use of derivatives.

Appendix 3: Comparative Performance Analysis:

Image 1: Comparative Performance



Annualized Performance	QTD		YTD		1 year		3 years		5 years		7 years		10 years	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Manager 1	4.9	36	6.5	42	9.6	31	5.9	25	5.0	19	4.8	15	5.0	11
Manager 2	4.9	36	6.5	44	8.9	53	5.3	75	4.6	55	4.6	27	4.9	14
Manager 3	3.6	78	6.2	53	8.8	60	5.7	44	4.7	47	4.3	51	4.4	42
Manager 4	3.9	68	7.0	24	9.8	23	6.0	19	4.7	46	4.4	40	4.8	18
JPM: Intermediate (Inc.)	3.1	89	4.9	86	6.8	92	4.5	96	3.6	97	3.4	98	---	---
Payden & Rygel: Long (Inc.)	5.0	31	4.8	87	7.6	86	5.6	53	4.9	25	4.6	26	4.6	25
Bloomberg US Agg	2.9	91	6.1	55	8.7	62	5.3	77	4.3	87	4.0	90	3.8	93
eA Core Fixed Income Median	4.4	50	6.3	50	9.0	50	5.6	50	4.7	50	4.3	50	4.3	50

Image 2: Three and Five-Year Risk/Return

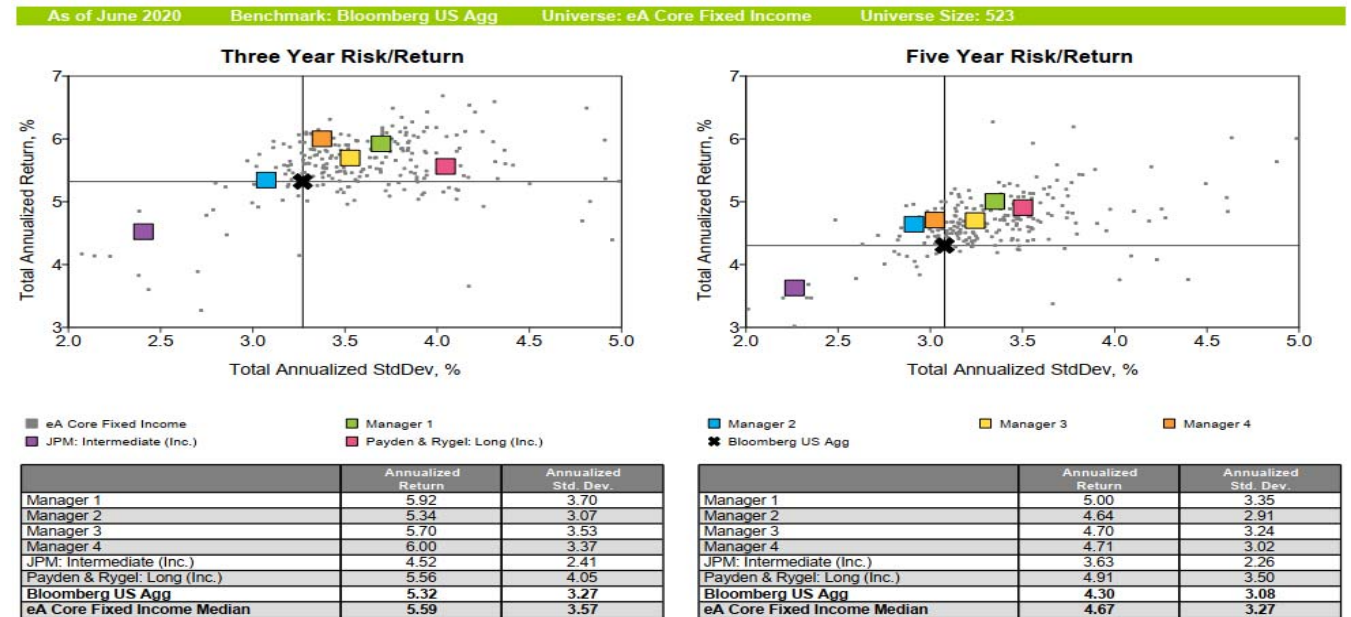
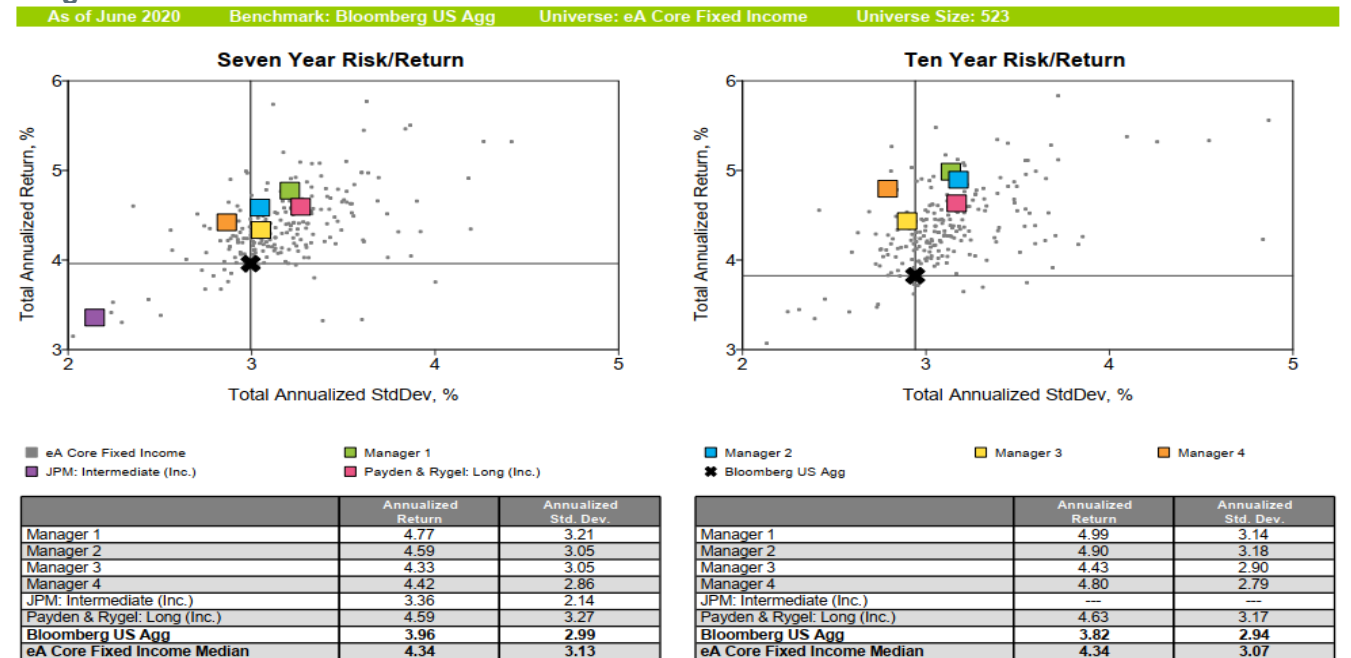


Image 3: Seven and Ten-Year Risk/Return



J.P. Morgan Core Bond Strategy

Data as of September 30, 2020

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Presenters Biographies



Jim Sakelaris

Jim Sakelaris, *managing director*, is a Client Advisor within J.P. Morgan Asset Management's North America Institutional group. Jim serves the investment needs of large corporate and public retirement plans. As a Client Advisor, his role is to marshal the firm's extensive resources in the delivery of tailored solutions across a spectrum of traditional and alternative asset classes aiming to exceed the strategic and tactical investment objectives of his clients. An employee since 1990, Jim has held various roles within the organization including credit analyst, commercial loan officer and manager of Fixed Income Credit Research. Prior to joining the firm, he was employed as a financial futures specialist for Kidder, Peabody & Co. and was responsible for the management of regional and national institutional financial futures investment portfolios. Jim obtained a B.G.S. in economics and political science from the University of Michigan and an M.B.A. in finance from the University of Chicago. He also holds Series 3, 7, 63, and 65 licenses.



Joe Hisdorf

Joe Hisdorf, *executive director*, is a member of the Global Fixed Income, Currency & Commodities (GFICC) group. Based in Columbus, Joe is an investment specialist for the U.S. Broad Markets team and is responsible for communicating investment strategy, decisions and performance across various fixed income products to clients, consultants, prospects and internal partners. An employee since 2003, Joe has served in various positions within Asset Management which include business analyst, consultant analyst and project manager. Previously, he worked for Bisys Fund Services as a senior mutual fund accountant. Joe holds a B.B.A in finance from the College of Business at Ohio University and holds FINRA Series 7, 63, and 65 licenses.

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Global Fixed Income, Currency & Commodities (GFICC)

Why Fixed Income with J.P. Morgan Asset Management

A powerful combination of expertise, deep resources and time-tested process focused on client outcomes

PHILOSOPHY

Invest as lenders of our clients' money

- Bank-owned asset manager with a **fiduciary mindset** and a **150-year heritage**
- Team based and transparent approach with significant **access to our investment teams**
- Strive to deliver consistently **strong risk-adjusted returns**
- **Risk management**, a critical part of our culture, **is embedded on multiple levels**

APPROACH

Globally integrated, research-driven

- **265+ fixed income investment professionals** across 5 countries benefit from **diverse views**
- **Common trading platform** creates scale and drives our goal of **best execution**
- Proprietary technology, **Spectrum**, including optimizers and trading tools
- Global research team with **63 quantitative and fundamental research analysts**

PROCESS

Rigorous, disciplined, proprietary

- **Fundamental, Quantitative, Technical (FQT)** inputs used to underwrite every investment
- **ESG factors** are **integrated** throughout our investment process
- Continuous collaboration including our weekly strategy meetings and our **Investment Quarterly (IQ)**
- **Access to key industry decision makers**, and strong relationships with financial institutions
- **Proprietary insights and data** with investments in Artificial Intelligence and machine learning to harness big data

Source: J.P. Morgan Asset Management; as of September 30, 2020

Global Fixed Income, Currency & Commodities (GFICC)

Bob Michele

Head of Global Fixed Income, Currency & Commodities

INVESTMENT LEADS



Steve Lear, CFA*
U.S. CIO



Barb Miller*
Customized Bond Portfolios
CIO

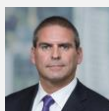


Iain Stealey, CFA*
International CIO



Pierre-Yves Bureau*
Emerging Markets CIO

COMMON PLATFORM



Greg Tell*
Head of Investment
Specialists



Kay Herr, CFA*
Head of Research



Vincent Kumaradjaja*
Head of Risk



Brian Lysiak*
Head of Trading

BUSINESS MANAGEMENT



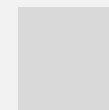
Rash Bardha
Middle Office/Operations



Niall Byrne, CFA
COO



Josh Ludmer
Technology



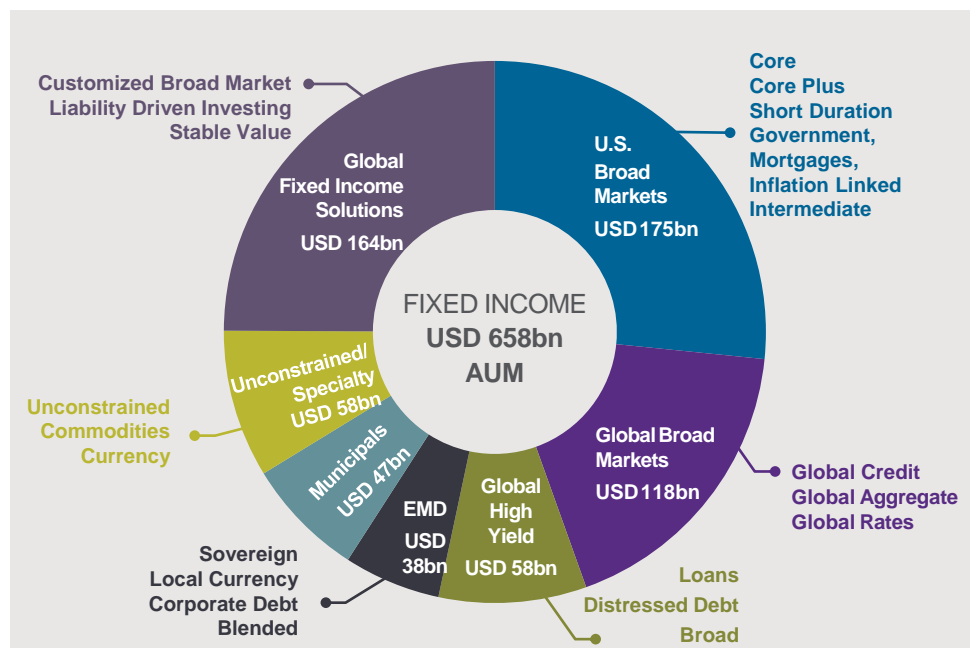
Silpa Gangavarapu
Human Resources

* Bob Michele direct report

As of August 31st 2020, There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Expertise to deliver superior client outcomes

GLOBAL FIXED INCOME, CURRENCY & COMMODITIES ASSETS UNDER MANAGEMENT



ASSET & WEALTH MANAGEMENT

JPMORGAN CHASE & CO.

Source: J.P. Morgan Asset Management. Data as of September 30, 2020. Due to rounding, data may not always add up to the total AUM. AUM figures are representative of assets managed by the Global Fixed Income, Currency & Commodities group and include AUM managed on behalf of other J.P. Morgan Asset Management investment teams. The manager seeks to achieve the above stated objective. There can be no guarantee the objective will be met.

Strategy Review

What differentiates our approach to Core Bond?

Differentiated Investment Style

Expertise in securitized (agency and non-agency) is a strong complement to deep corporate credit resources

Rigorous portfolio level stress testing and scenario analysis is done with the goal of mitigating downside risk

Portfolios are typically 100% cash securities (i.e. no use of futures or derivatives)

Differentiated Results

- Increases portfolio diversification
- Provides high quality out of benchmark opportunities
- Typically a low correlation of excess returns vs. top intermediate fixed income managers*

- Focus on generating risk adjusted returns
- Long term consistency of performance
 - rolling two-year returns exceeded the Barclays Aggregate Index 78 of the last 80 quarters
 - outperformed the Barclays Aggregate index in 23 out of the last 25 calendar years
- Negative correlation to S&P 500*

- Risk exposures that are readily understood
- Transparency of portfolio positioning
- Ease of reporting and monitoring

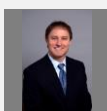
* Based on top 20 intermediate fixed income managers by AUM as of 12/31/19 over 3, 5, and 10 year investment horizon.

Core Bond Investment Team

Rick Figuly

Lead Portfolio Manager Core Bond Fixed Income

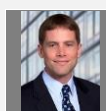
PORTFOLIO MANAGERS



Kent Weber, CFA
Portfolio Manager



Tim Eisel
Portfolio Manager



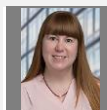
Justin Rucker, CFA
Portfolio Manager



Daniel Ateru, CFA
Portfolio Manager



Andy Melchiorre, CFA
Portfolio Manager



Susan Parekh
Portfolio Manager



Scott Grimshaw, CFA
Portfolio Manager



Michael Pacca
Portfolio Manager

COMMON PLATFORM



Greg Tell*
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Head of Risk



Brian Lysiak*
Head of Trading

* Bob Michele direct report
As of May 31, 2020

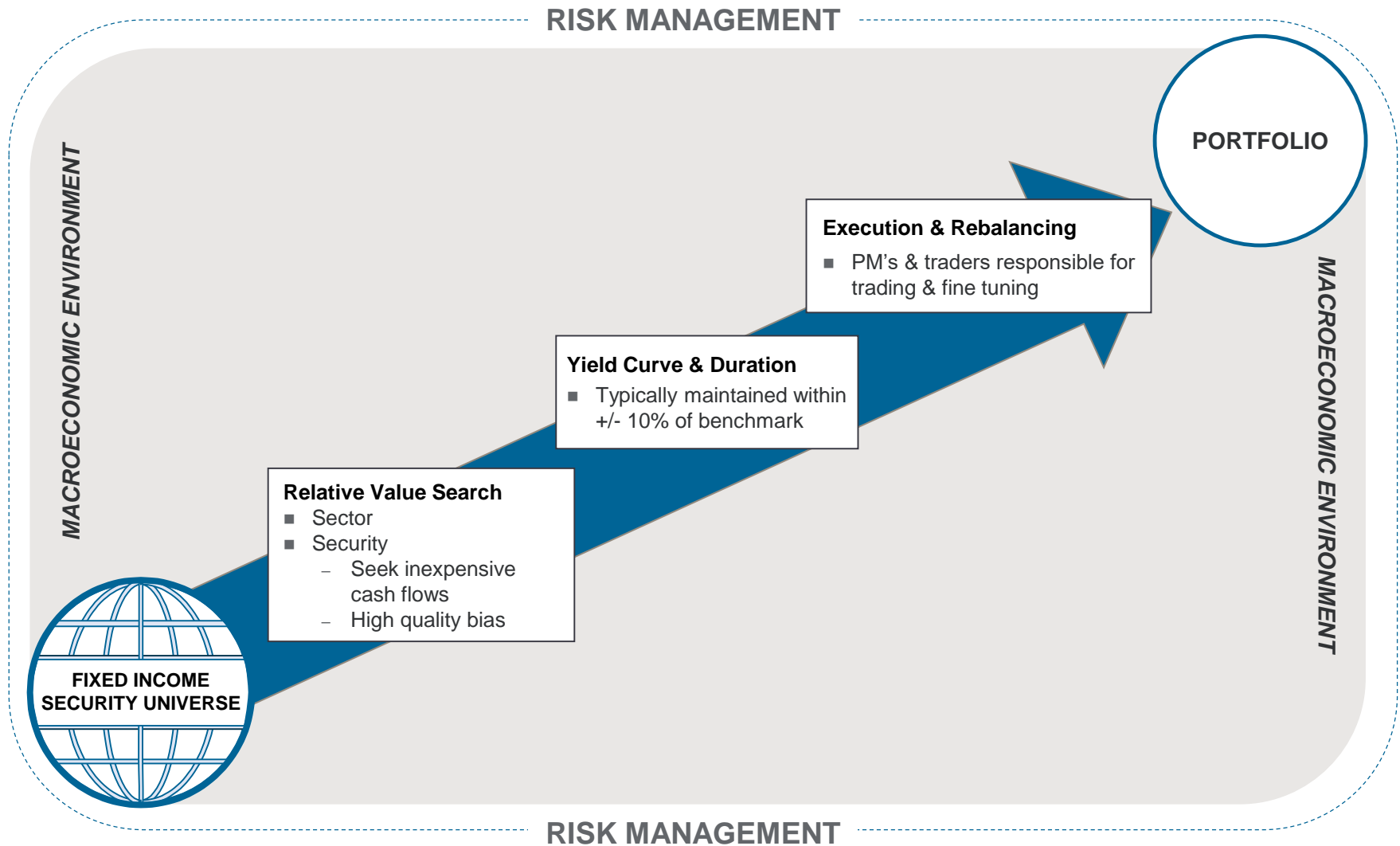
Fundamental Investment Tenets

- We believe in a disciplined value-driven approach based on **bottom-up, fundamental analysis**
- **Longer term investing** versus trading mentality
- Style emphasizes research and **individual security analysis**, rather than large macro bets
- Portfolios are **well diversified** and of **high average credit quality**, helping to minimize individual security risk
- Many **small decisions** drive overall portfolio strategy, making us less dependent on a few top-down decisions
- **Low turnover** minimizes trading costs
- Risk management, embedded throughout the process, seeks to **limit downside risk** relative to a benchmark

This approach has resulted in consistent, long-term outperformance of the benchmark in a variety of market environments

The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

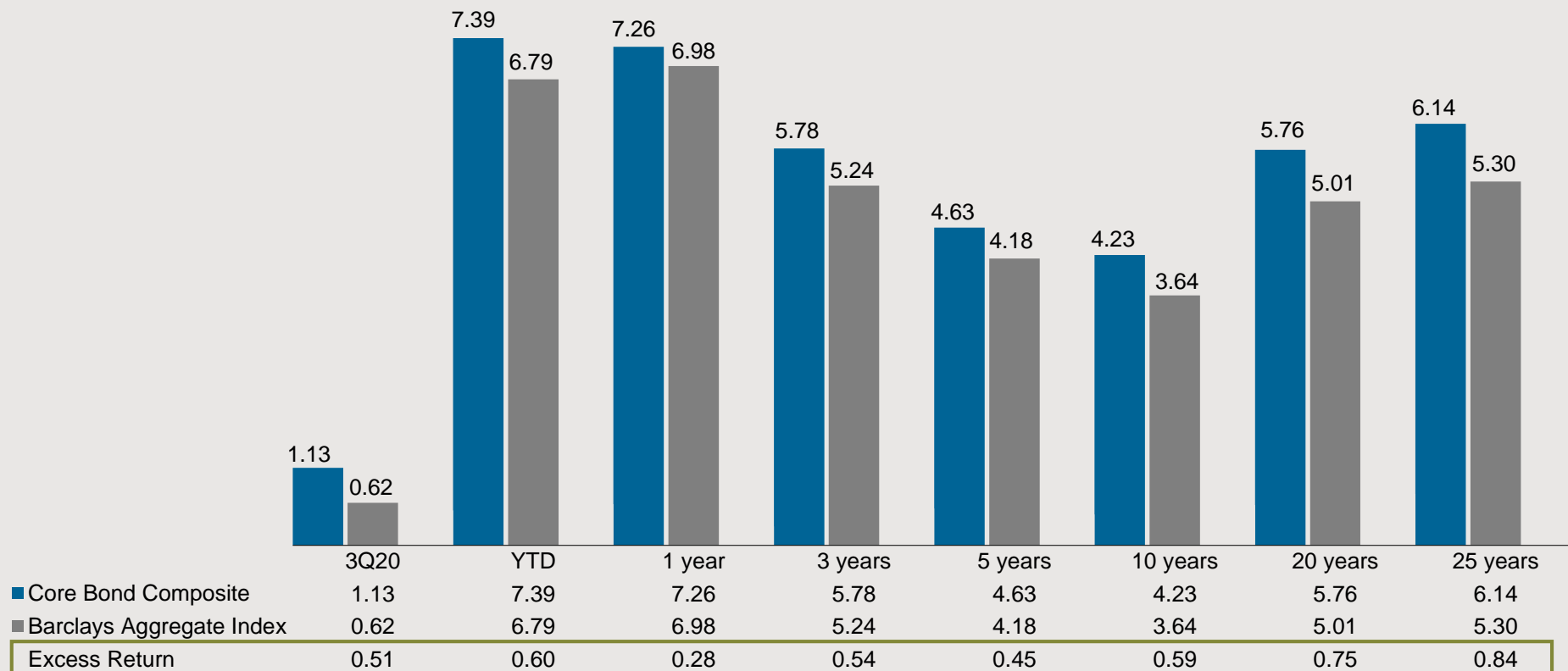
Investment Approach



The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

Core Bond Composite Investment Performance

Period Ending September 30, 2020 – Gross of Fees (%) Supplemental to annual performance report



Past performance is not indicative of future returns. Performance includes the reinvestment of income. Inception Date: 12/31/1985

Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are described in Part II of the Advisor's ADV which is available upon request. (Please see back for additional performance disclosure)

Since 1/1/17, sector classifications have been updated within Global Fixed Income to provide greater consistency, transparency, granularity, and alignment with current industry conventions.

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Core Bond has favorable risk metrics

All data as of September 30, 2020



= top decile



= top quartile

Risk Statistics	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years
Standard Deviation (vs. Barclays Aggregate Index)						
Core Bond	3.60	3.32	2.92	3.06	3.35	3.39
Barclays Aggregate	3.37	3.15	2.96	3.20	3.42	3.42
<i>Standard Deviation Ranking</i>	42	44	21	8	12	13
Information Ratio (vs. Barclays Aggregate Index)						
Core Bond	0.63	0.64	0.98	0.84	0.88	1.02
<i>Information Ratio Ranking</i>	28	36	12	8	7	2
Sharpe Ratio (using Citigroup 3-Month T-Bill)						
Core Bond	1.15	1.05	1.24	1.32	1.27	1.15
Barclays Aggregate	1.07	0.96	1.02	1.02	1.03	0.90
<i>Sharpe Ratio Ranking</i>	33	48	20	1	2	1

Source: eVestment Alliance (Core Fixed Income Universe) and J.P. Morgan Asset Management. Performance results are gross of investment management fees. Calculations based on monthly returns. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Past performance is not a guarantee of comparable future results. Fees are described in Part II of the Advisor's ADV which is available upon request.

Core Bond Composite Snapshot

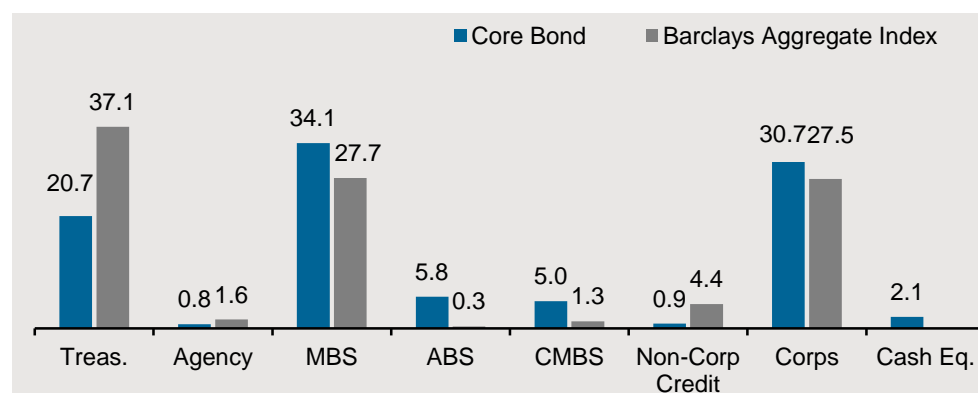
All data as of September 30, 2020

Discretionary assets: USD 66.7 billion

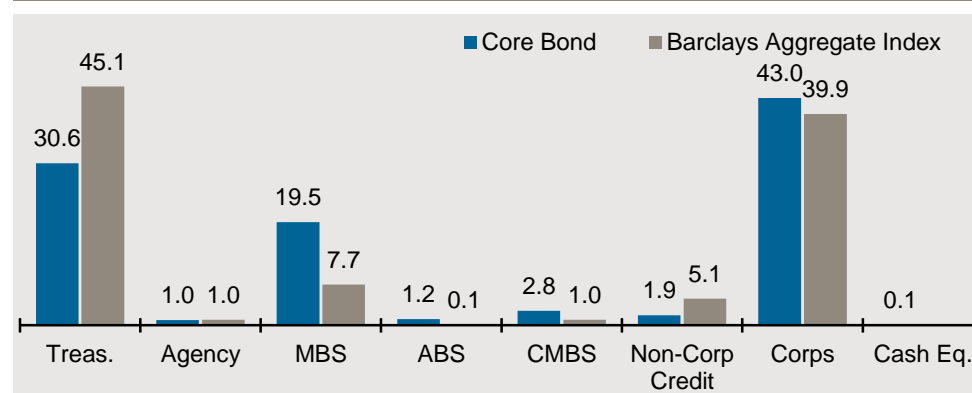
Portfolio statistics	Core Bond	Barclays Agg	Diff.
Yield to Maturity	1.65%	1.06%	+0.59%
OAS (bps)	113	54	+59
Duration (yrs)	6.03	5.95	+0.08
Spread Duration (yrs)	4.40	3.62	+0.78
Convexity	0.71	0.65	+0.06
Average Quality	A+	AA	-
Turnover	23%	-	-
Average # of Holdings	300-500**	11,912	-

Quality Distribution (MV%)*	Core Bond	Barclays Agg
AAA	57.03%	70.32%
AA	6.54%	5.42%
A	16.43%	13.07%
BBB	17.36%	11.19%
BB and Below	0.33%	0.00%
Not Rated	2.32%	0.00%
Total	100.0%	100.0%

Sector Distribution Market Value (%)



Sector Distribution Duration Contribution (%)



*Credit quality distribution compiled using the highest applicable rating from any Nationally Recognized Statistical Rating Organization (NRSRO). Securities that are not rated by any NRSRO are reflected as such.

**Portfolio holdings vary based on account size, tenure, and investment guidelines

1. Measurements in percent. statistics are compiled by running vendor data through J.P. Morgan's internal analytic models. Please see performance disclosures which accompany this presentation. Actual account characteristics may differ

Since 1/1/17, sector classifications have been updated within Global Fixed Income to provide greater consistency, transparency, granularity, and alignment with current industry conventions.

Turnover will vary by account size, tenure, and investment guidelines

Appendix

GIPS® Report: Core Bond Composite

December 31, 2018

Year	Composite Gross of Fees Return %	Composite Net of Fees Return %	Benchmark Return %	Number of Accounts	Internal Dispersion	Composite 3Yr Annualized Std Dev (%)	Benchmark 3Yr Annualized Std Dev (%)	Composite Assets (\$Millions)	Firm Assets (\$ Billions)
2018	0.67	0.37	0.01	35	0.05	2.79	2.88	61,401	1,230
2017	4.26	3.94	3.54	41	0.13	2.77	2.81	61,049	1,165
2016	2.92	2.61	2.65	53	0.15	2.90	3.02	58,229	1,068
2015	1.34	1.03	0.55	65	0.11	2.62	2.92	65,433	834
2014	5.84	5.52	5.97	65	0.10	2.37	2.67	64,279	845
2013	-1.32	-1.61	-2.02	68	0.15	2.42	2.75	55,315	775
2012	5.73	5.41	4.21	66	0.30	2.15	2.42	56,824	701
2011	7.89	7.57	7.84	62	0.20	2.59	2.82	48,729	657
2010	8.35	8.03	6.54	60	0.70	3.71	4.23	41,837	621
2009	10.38	10.05	5.93	38	1.22	3.75	4.17	22,342	617

*Composite Dispersion is not shown for periods with less than 6 Accounts

Firm Definition: J.P. Morgan Investment Management Inc. (JPMIM or the Firm) consists of the assets of institutional clients invested in US managed products including 1) the Fixed Income and Cash assets formerly part of Chase Asset Management and MDS&Chase Partners, 2) the New York institutional investment division of JPMorgan Chase Bank, N.A., formerly Morgan Guaranty Trust Company of New York, 3) the institutional investment assets of JPMorgan Investment Advisors, Inc. (JPMIA), formerly known as Banc One Investment Advisors Corporation (BOIA), the advisor to institutional assets directly managed by JPMIA or sub-advised by an affiliate institution, and 4) the institutional assets of Bear Stearns Asset Management Inc. The Firm also includes Separately Managed Accounts over which JPMIM has full and sole discretion. JPMIM is marketed under JPMorgan Asset Management.

Internal Dispersion: The internal dispersion of annual returns is measured by the asset-weighted standard deviation of gross account returns included in the composite for the full year. For periods with less than 6 accounts included for the entire year, internal dispersion is not presented (n/a) as it is not considered meaningful.

Standard Deviation: The 3 Year Annualized Standard Deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation of the Composite and benchmark are not presented (n/a) for periods where the composite does not have a 36-month history.

Composite Listing: A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Composite Description: The Core Bond strategy seeks to outperform the Bloomberg Barclays Aggregate Bond Index over a market cycle while maintaining a risk profile similar to the index. The strategy focuses on adding value through a bottom-up, value-oriented approach, that emphasizes security selection. Security selection is generally guided by the benchmark and can include corporate bonds, mortgage-backed securities, asset-backed securities, treasuries and agency bonds. Since July 1, 2018, a composite-specific minimum asset level of \$100 million has been applied. Prior to July 1, 2018, the composite-specific minimum was \$50 million. Prior to April 1, 2005, the composite-specific minimum was \$25 million. Prior to April 1, 2004, the composite-specific minimum was \$10 million. The composite was created in January 1986.

Fee Schedule: Both gross and net returns reflect the reinvestment of income, deduction of transaction costs, and are net of withholding taxes where applicable. All returns are expressed in U.S. dollars. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. The Net-of-fees returns are calculated by deducting composite model management fee ("model fee") from the gross composite return on a monthly basis. The model fee is either the highest tier of the fee schedule in effect for the period, or a higher value, whichever is required to ensure the composite model net of fee return is lower than or equal to the composite net of fee return calculated using actual fees. As of December 31, 2018, the standard annual fee schedule is as follows: 0.30% on the first \$75 million of assets managed; 0.25% on the next \$75 million; 0.225% on the next \$150 million; 0.15% on the balance. Actual advisory fees charged and actual account minimum size may vary by account due to various conditions described in Part IIA of Form ADV.

Compliance Statement: J.P. Morgan Investment Management Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. J.P. Morgan Investment Management Inc. has been independently verified for the period 2001-2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Core Bond Composite has been examined for the periods 01/01/1994 to 12/31/2018. The verification and performance examination reports are available upon request.

Benchmark Description: The benchmark is the Bloomberg Barclays Aggregate Bond Index. The index returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. For comparison purposes the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

Significant Cash Flow Policy: Beginning January 1, 2005, an account is temporarily removed from the composite if it experiences a cash and/or securities inflow or outflow greater than or equal to 10% of the account's beginning market value.

Past and Future Performance: Past performance is no guarantee of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

Disclosures

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All dollar amounts mentioned are shown in U.S. dollars.

The number of 'investment professionals' includes portfolio managers, research analysts, traders and client portfolio managers with VP title and above. Sourced from J.P. Morgan Asset Management; as of July 31, 2020.

The "mutual funds with a 4/5 star rating" analysis is sourced from Morningstar for all funds with the exception of Japan-domiciled funds; Nomura was used for Japan-domiciled funds. The analysis includes both Global Investment Management open-ended funds that are rated by the aforementioned sources. The fixed income classification used in the illustration is based on J.P. Morgan's own categorization. The share class with the highest Morningstar star rating represents its respective fund. The Nomura star rating represents the aggregate fund. Other share classes may have different performance characteristics and may have different ratings; the highest rated share class may not be available to all investors. All star ratings sourced from Morningstar reflect the Morningstar Overall Rating™. For Japan-domiciled funds, the star rating is based on the Nomura 3-year star rating. Funds with fewer than three years of history are not rated by Morningstar nor Nomura and hence excluded from this analysis. Other funds which do not have a rating are also excluded from this analysis. Ratings are based on past performance and are not indicative of future results

J.P. Morgan Asset Management

RISKS ASSOCIATED WITH INVESTING:

Interest Rate Risk. The Strategy mainly invests in bonds and other debt securities. These securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of the Strategy's investments generally declines. On the other hand, if rates fall, the value of the investments generally increases. Your investment will decline in value if the value of the investments decreases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, the changes in the value of fixed income securities will not affect cash income generated, but may affect the value of your investment.

Mortgage-related and asset-backed securities are subject to certain other risks. The value of these securities will be influenced by the factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset value, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. Additionally, during such periods and also under normal conditions, these securities are also subject to prepayment and call risk. When mortgages and other obligations are prepaid and when securities are called, the strategy may have to reinvest in securities with a lower yield or fail to recover additional amounts (i.e., premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss. Some of these securities may receive little or no collateral protection from the underlying assets and are thus subject to the risk of default described under "Credit Risk". The risk of such defaults is generally higher in the case of mortgage-backed investments that include so-called "sub-prime" mortgages. The structure of some of these securities may be complex and there may be less available information than other types of debt securities.

Credit Risk. There is a risk that issuers and counterparties will not make payments on securities and investments held by the portfolio. Such default could result in losses to an investment in the portfolio. In addition, the credit quality of securities held by a portfolio may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security. Lower credit quality also may affect liquidity and make it difficult for the portfolio to sell the security. The portfolio may invest in securities that are rated in the lowest investment grade category. Such securities are considered to have speculative characteristics similar to high yield securities, and issuers of such securities are more vulnerable to changes in economic conditions than issuers of higher grade securities.

Quality Rating Methodology. J.P. Morgan Investment Management Inc. (JPMIM) receives credit quality ratings on underlying securities of the portfolio from the three major ratings agencies – S&P, Moody's and Fitch. When calculating the credit quality breakdown, JPMIM selects the middle rating of the agencies when all three agencies rate a security. JPMIM will use the lower of the two ratings if only two agencies rate a security and JPMIM will use one rating if that is all that is provided. We will use the DBRS rating for securities that are not rated by SP, Moody's, or Fitch. Securities that are not rated by all four agencies are reflected as such.

There can be no assurance that the professionals currently employed by JPMAM will continue to be employed by JPMAM or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Any securities/portfolio holdings mentioned throughout the presentation are shown for illustrative purposes only and should not be interpreted as recommendations to buy or sell. A full list of firm recommendations for the past year are available upon request.

Past performance does not guarantee future results. Total returns assumes reinvestment of any income. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary on individual portfolio security selection and the applicable fee schedule. Fees are available upon request.

The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of \$100 million, gaining an annual return of 10% per annum would grow to \$259 million after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of \$100 million, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to \$235 million after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to \$253 million after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

The Barclays U.S. Aggregate Index (formerly Lehman Brothers U.S. Aggregate Index) is an unmanaged index that represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The performance of the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management fees. By contrast, the performance of the Fund reflects the deduction of the mutual fund expenses, including sales charges if applicable. An individual cannot invest directly in an index.

J.P. Morgan Asset Management

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MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Fixed Income – Multi-Sector Manager

At its October 29, 2020 meeting, the Board of University and School Lands' (Board) approved changes to the Fixed Income Asset Allocation for the Permanent Trust Funds (PTFs) "to liquidate sufficient amounts in the Payden & Rygel and JP Morgan fixed income mandates, along with the cash from the Brandywine termination, to fund the addition to Private Credit and a new Multi-Sector fixed income.

As a result of underperformance, Department of Trust Lands (Department) and RVK recommended terminating the Brandywine Global Opportunity mandate (~\$185 Million) and replacing it with a new Multi-Sector Bond mandate (\$100 Million). The Brandywine mandate has underperformed both the PTFs' core and intermediate bond mandates, the global aggregate bond index, and the multi-sector funds contemplated as replacements. In addition, RVK research shows the Brandywine mandate has a worse risk/return profile versus the multi-sector funds and the global aggregate bond index. Moving to a multi-sector mandate is expected to decrease portfolio risk while increasing returns.

The Department and RVK began the manager search by compiling a list of three of the top performing Multi-Sector bond managers within RVK's database. The Department and RVK reviewed the performance and risk history of each manager, along with fees, asset quality, asset characteristics, and investment structures. Each of the three managers were interviewed by the Department and RVK to review their investment strategies and investment processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board approve a Multi-Sector Bond mandate with Loomis Sayles. Loomis Sayles is an investment manager headquartered in Boston, with offices in the U.S., Europe and Asia. They have over \$240 Billion in fixed income assets under its management and over 180 fixed income investment professionals with expertise in various areas of the fixed income market. Loomis Sayles has a strong and transparent investment process and portfolio characteristics that the Staff and RVK felt would best suit the PTFs.

Recommendation: The Board approve a \$100 Million investment with Loomis Sayles in a Multi-Sector bond mandate, subject to final review and approval of all legal documents by the Office of the Attorney General.

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

Attachment 1: RVK Recommendation Memo

Attachment 2: Loomis Sayles Multi-Sector Bond Presentation



Memorandum

To	North Dakota Board of University and School Lands
From	RVK, Inc.
Subject	Multi-Sector Credit Fixed Income Search and Recommendation
Date	November 11, 2020

Overview

Based on the ongoing review of the fixed income portfolio, Staff and RVK initiated a search for a multi-sector credit manager to evaluate potential replacements for Brandywine. Brandywine currently manages a globally oriented opportunistic credit strategy for the Board. Their portfolio provides yield enhancement and diversification to the overall fixed income portfolio. Some of the elements of risk inherent in a global bond portfolio, specifically sovereign non-US credit (developed and emerging markets) and currency risk, have exhibited relatively high degrees of volatility and poor risk/reward characteristics. Although these trends could change in the future, we believe there are more sustainable and less volatile sources of yield enhancement available through managers and strategies that are more focused on corporate credit risk in its various forms (investment grade, high yield, bank loans, and asset backed).

In the evaluation of Multi-Sector Credit managers, we were particularly focused on identifying managers that have a clear track record of adding value through security selection as well as sector rotation across various points in the credit cycle.

Recommendation

Based on the manager search process and due diligence performed, **Staff and RVK recommend the Board fund Loomis Sayles with approximately \$100 million (9% of the Land Board's fixed income portfolio and 1.9% of the Total Fund).** While all finalists were high quality firms, Loomis Sayles exhibited advantages over the other finalists including broad market exposure, an attractive risk/return profile, a comprehensive and repeatable investment process, and attractive fees.

Manager Search Process

The RVK Investment Manager Research team maintains working relationships with many institutional-quality fixed income asset managers. Leveraging this knowledge and experience, the fixed income research team built an initial list of what RVK considers best in class asset managers who possess the experience, scale, and scope to oversee such a mandate. Based on these criteria, the initial list of candidates included five new multi-sector credit managers and one incumbent manager.

RVK and the Land Board's Investment Staff reviewed the characteristics of these six strategies



such as assets under management, performance (absolute and risk adjusted, both trailing and rolling time periods), fees, firm structure, team stability, and investment philosophy and process. RVK and Staff were further able to narrow the list of candidates down to three candidates, which were invited for virtual interviews on September 30th, October 2nd, and October 6th, 2020. Participants from the asset manager's side included the lead portfolio manager for each firm's proposed multi-sector credit strategy.

After the three interviews RVK and Staff discussed and re-ranked the strategies based on the following criteria: product assets under management, longevity of the strategy, performance track record, experience of the investment team, performance attribution, and fees. Both RVK and Staff agree Loomis Sayles ranked the highest of the three finalists. At which point RVK asked Loomis Sayles to submit their best and final fee.

Fee Comparison

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

Managers	Management Fee*
Loomis Sayles	0.45%
Manager 2	0.36%
Manager 3	0.50%
Brandywine (Incumbent)	0.43%

** Fee calculated based on a \$100 million mandate size*

As mentioned above, after the interviews it was determined that Loomis Sayles ranked the best against the other two multi-sector credit managers and the incumbent. As such RVK asked Loomis Sayles for their best and final offer. Loomis Sayles, thus, proposed the following fee schedule, subject to current MFNs.

Separate Account	Management Fee
First \$100 million	0.45%
Thereafter	0.40%

With a \$100 million dollar mandate the effective fee will be 45 basis points. However, Loomis is offering fee break for any assets above the \$100 million threshold. As such, when this portfolio grows the effective fee will come down.



The median fee for a \$100 million multi-credit fixed income mandate is approximately 34 basis points. While Loomis Sayles' fee is on the higher end relative to other managers in the U.S. Multi-Sector Credit universe, we note that the strategies within this particular universe may differ significantly from one another from both sector exposures and benchmarks. As such, in order to conduct a fair comparison on returns, RVK's analysis was completed on a net of fees basis. Please refer to appendix 3 for comparative performance analysis.

Supplemental Information

Attached are: (1) Search Process Screening Criteria (2) JPMorgan Core Fixed Income Summary and (3) Comparative Performance Analysis.

Appendix 1: Search Process Screening Criteria

Organization

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

Professional Staff

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

Investment Philosophy/Process

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

Performance

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

Risk Management/Operations

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

Fees

- Relative to other respondents



Appendix 2: Loomis Sayles – Credit Asset Strategy

Firm

Formed in 1926, Loomis Sayles is a well-known US asset management firm with \$311 billion in assets under management. The firm is structured as a limited partnership and is wholly-owned subsidiary of Natixis Investment Managers, L.P., the US-based subsidiary of Natixis, which is based in Paris, France. Loomis Sayles runs numerous investment strategies across equities and fixed income. The firm manages over \$8.6 billion in Alpha strategies, which the Credit Asset strategy is a part of. The firm has a diverse client base, including institutional, retail, and private banking clients, the majority of which is institutional.

Team

Loomis Sayles' Credit Asset strategy team is managed by three portfolio managers: Kevin Kearns, Andrea DiCenso, and Thomas Stolberg. All three portfolio managers have been with the firm for over ten years. Additional support includes three product analysts, two quantitative research analysts, and three portfolio specialists. The portfolio managers also tap into the nine sector teams at the firm for additional input. The diagram below summarizes a highly experienced and seasoned team.

PORTFOLIO MANAGEMENT	ANDREA DICENSO		KEVIN KEARNS		TOM STOLBERG	
Years of industry experience:	17		34		26	
Years with firm:	14		13		12	
KEY SUPPORT	Product Analysts Elaine Kan Mark LaRochelle Peter Yanulis	Quant. Research & Risk Analysis Mike Crowell Bharadwaj Kavuluru	Product Managers Roger Ackerman Alex Thompson*	Portfolio Specialists Anthony Falzarano Peter Guzzi Boeurn Kan-Crawford		
SECTOR TEAMS	Global Asset Allocation Emerging Markets High Yield		US Yield Curve Bank Loans	Mortgage & Structured Finance	Sovereign Inv Grade / Global Credit Convertibles	
SUBSECTOR PORTFOLIO MANAGERS	Bank Loans John Bell Mike Klawitter	Investment Grade Corporates Rick Raczkowski Kurt Wagner Carol Embree	High Yield Matt Eagan Todd Vandam Tom Stolberg Elaine Stokes	Securitized Alessandro Pagani Cliff Rowe Ian Anderson		
FIRM RESOURCES	Macro Strategies 2 Directors Associate Director Economist Senior Quantitative Analyst Senior Commodities Analyst 2 Senior Research Analysts/Analysts 3 Senior Research Assoc./Assocs.	Credit Research Director 2 Associate Directors Head of Municipal Research Head of Convertibles Research 39 Senior Analysts 11 Analysts 7 Research Senior Associates 7 Research Associates	Mortgage & Structured Finance Head Portfolio Manager 4 Strategists 4 Senior Analysts 1 Research Analyst 2 Research Associates Director, MSF Trading 4 MSF Traders/TAs	Fixed Income Trading 24 Traders/TAs Director, Portfolio Implementation 15 Portfolio Specialists Director, Operational Trading Risk Mgt. Risk Analyst		
	Quant. Research & Risk Analysis Director Associate Director Director, LDI Solutions Senior Quantitative Analyst 7 Quantitative Analysts	Equity Research 12 Senior Analysts 9 Analysts 3 Research Associates	Sovereign Research 2 Senior Analysts 3 Analysts			



Investment Process

Loomis Sayles' Credit Asset strategy seeks to maximize return potential by investing in a diversified portfolio of what the investment team believe are attractive issuers in the investment grade corporate, high yield corporate, bank loan, and securitized markets based on the phase of the credit cycle. Dislocation in credit markets may lead to potential opportunities in various credit asset classes and products. The investment philosophy centers on a belief that bond markets are inefficient and that these inefficiencies can help provide the investment team an opportunity to generate risk-adjusted performance in excess of traditional market benchmarks.

The investment process begins with a top down macro and sector analysis to assess the prospective macroeconomic and capital markets environment in an effort to seek to identify key driving factors. Next is the bottom up security selection where portfolio managers gain insight into individual credits using the broader Loomis Sayles research effort. Finally, the third step is to identify and tag alpha drivers that they expect to generate incremental returns

As mentioned above, the portfolio managers rely on the firm's credit, sovereign and securitized analysts to rate the credit risk of potential investments. The firm has a comprehensive internal credit rating system that has been used since 1030s. These credit ratings are developed independently and are used by sector teams and portfolio managers as a means of comparison to the rating agencies' assessments, as well as the market's opinion of a given issuer's creditworthiness. The firm's credit opinion includes both a rating and a trend for the issuer, as such, it is typically more forward-looking than the large rating agencies.

Analysts then review their credit and value ratings with sectors teams, which are made up of research, portfolio management, and trading professionals. Each team integrates Loomis' macro views with team member insights to assess their respective market sector's risk/return characteristics and uncover specific credits that may offer the best return potential. The process is repeated by each sector team and ultimately results in a broad set of recommendations for managing portfolios.

Appendix 3: Comparative Performance Analysis

Image 1: Comparative Performance

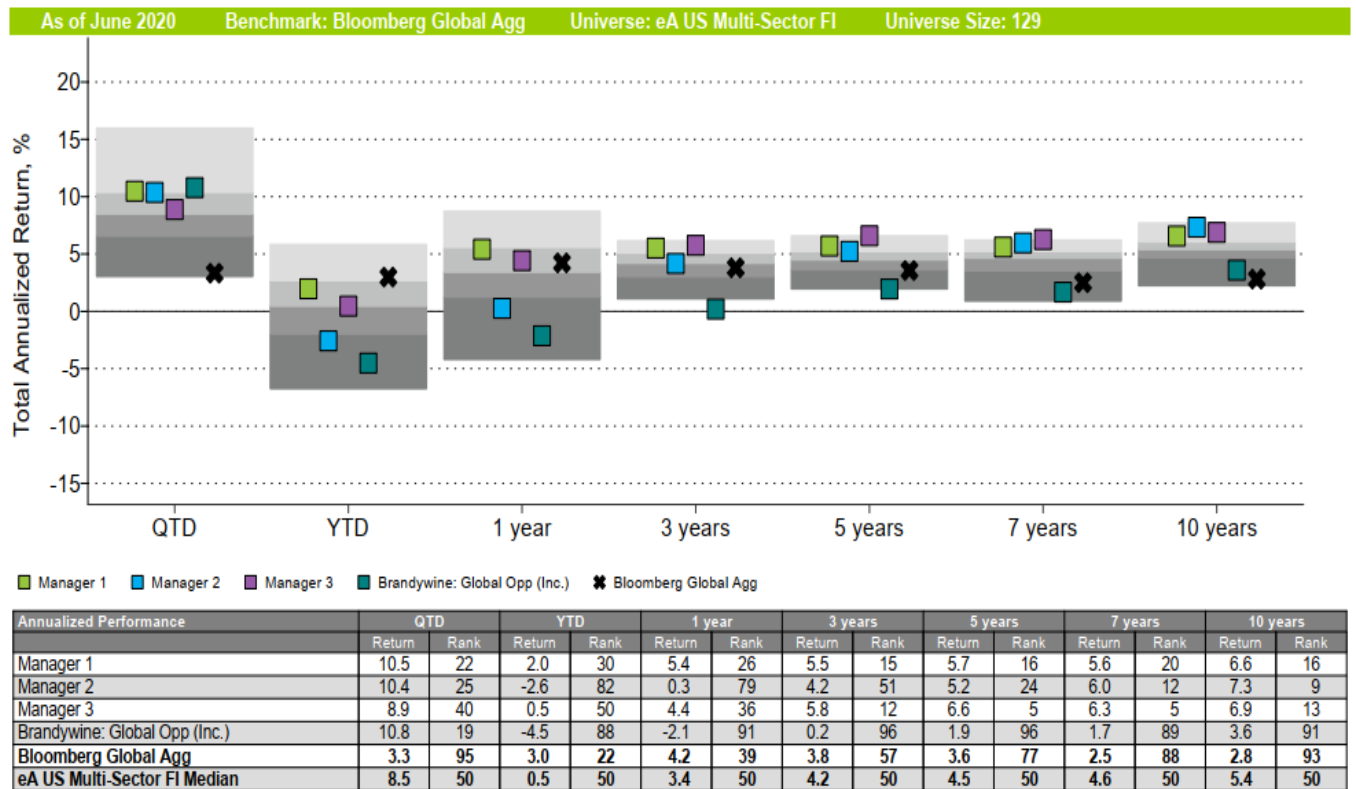
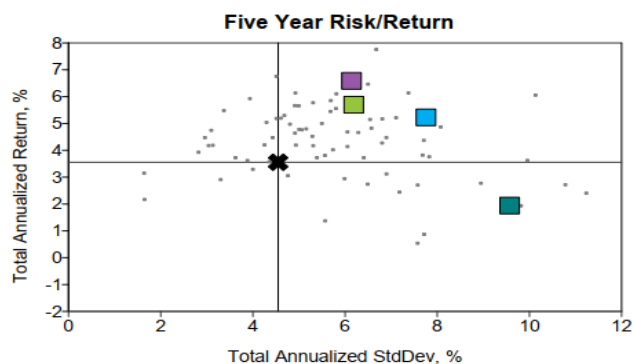
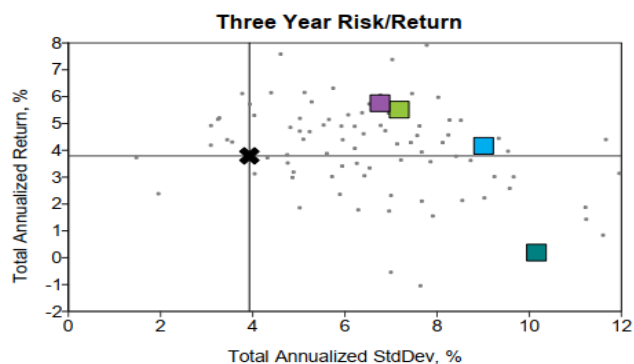


Image 2: Three and Five-Year Risk/Return

As of June 2020 Benchmark: Bloomberg Global Agg Universe: eA US Multi-Sector FI Universe Size: 129



■ eA US Multi-Sector FI ■ Manager 1 ■ Manager 2
 ✱ Bloomberg Global Agg

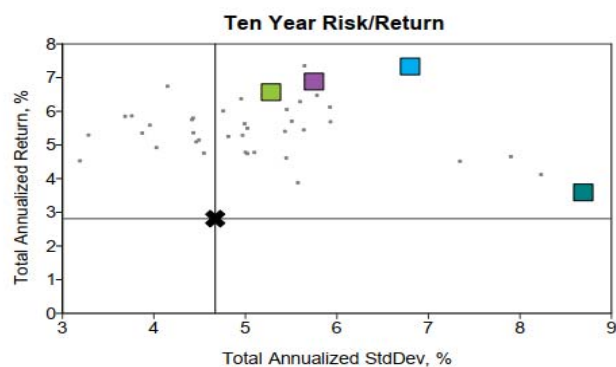
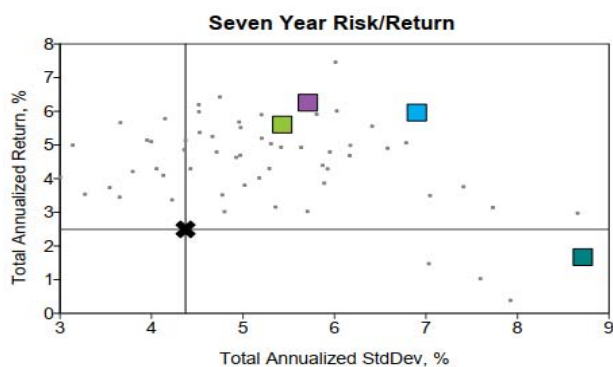
■ Manager 3 ■ Brandywine: Global Opp (Inc.)

	Annualized Return	Annualized Std. Dev.
Manager 1	5.52	7.18
Manager 2	4.17	9.01
Manager 3	5.75	6.76
Brandywine: Global Opp (Inc.)	0.19	10.16
Bloomberg Global Agg	3.79	3.93
eA US Multi-Sector FI Median	4.18	6.77

	Annualized Return	Annualized Std. Dev.
Manager 1	5.70	6.19
Manager 2	5.23	7.75
Manager 3	6.59	6.14
Brandywine: Global Opp (Inc.)	1.94	9.57
Bloomberg Global Agg	3.56	4.55
eA US Multi-Sector FI Median	4.47	5.72

Image 3: Seven and Ten-Year Risk/Return

As of June 2020 Benchmark: Bloomberg Global Agg Universe: eA US Multi-Sector FI Universe Size: 129



■ eA US Multi-Sector FI ■ Manager 1 ■ Manager 2
 ✱ Bloomberg Global Agg

■ Manager 3 ■ Brandywine: Global Opp (Inc.)

	Annualized Return	Annualized Std. Dev.
Manager 1	5.60	5.43
Manager 2	5.96	6.90
Manager 3	6.26	5.71
Brandywine: Global Opp (Inc.)	1.67	8.71
Bloomberg Global Agg	2.49	4.37
eA US Multi-Sector FI Median	4.63	5.21

	Annualized Return	Annualized Std. Dev.
Manager 1	6.57	5.28
Manager 2	7.33	6.80
Manager 3	6.88	5.75
Brandywine: Global Opp (Inc.)	3.59	8.69
Bloomberg Global Agg	2.81	4.67
eA US Multi-Sector FI Median	5.38	5.02



NORTH DAKOTA BOARD OF UNIVERSITY AND SCHOOL LANDS



November 24, 2020

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617 482-2450 | BOSTON CHICAGO DETROIT SAN FRANCISCO LONDON SINGAPORE UTRECHT

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presented by:



ANDREA DICENSO
Vice President, Portfolio Manager



JOHN TRYDAHL
Vice President, Institutional Services

loomis sayles at a glance

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Slide is as of 9/30/2020. The Utrecht office opened on November 1, 2020.

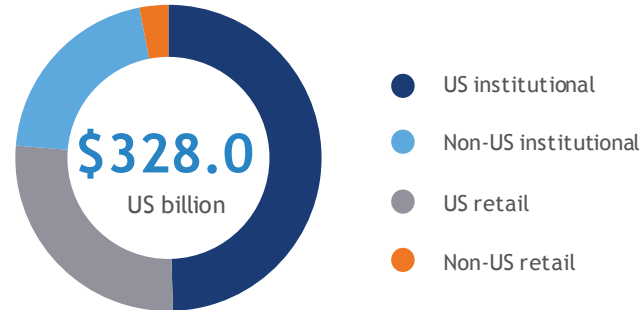
Due to rounding, pie chart total may not equal 100%.

Other includes cash & equivalents and derivatives.

Total AUM includes the assets of both Loomis, Sayles & Co., LP, and Loomis Sayles Trust Company, LLC. (\$30.5 billion for the Loomis Sayles Trust Company).

Loomis Sayles Trust Company is a wholly owned subsidiary of Loomis, Sayles & Company, L.P.

AUM by client base



Investment expertise across asset classes










Fixed income: **\$241.4 B**

Equity: **\$86.7 B**



foundation for alpha

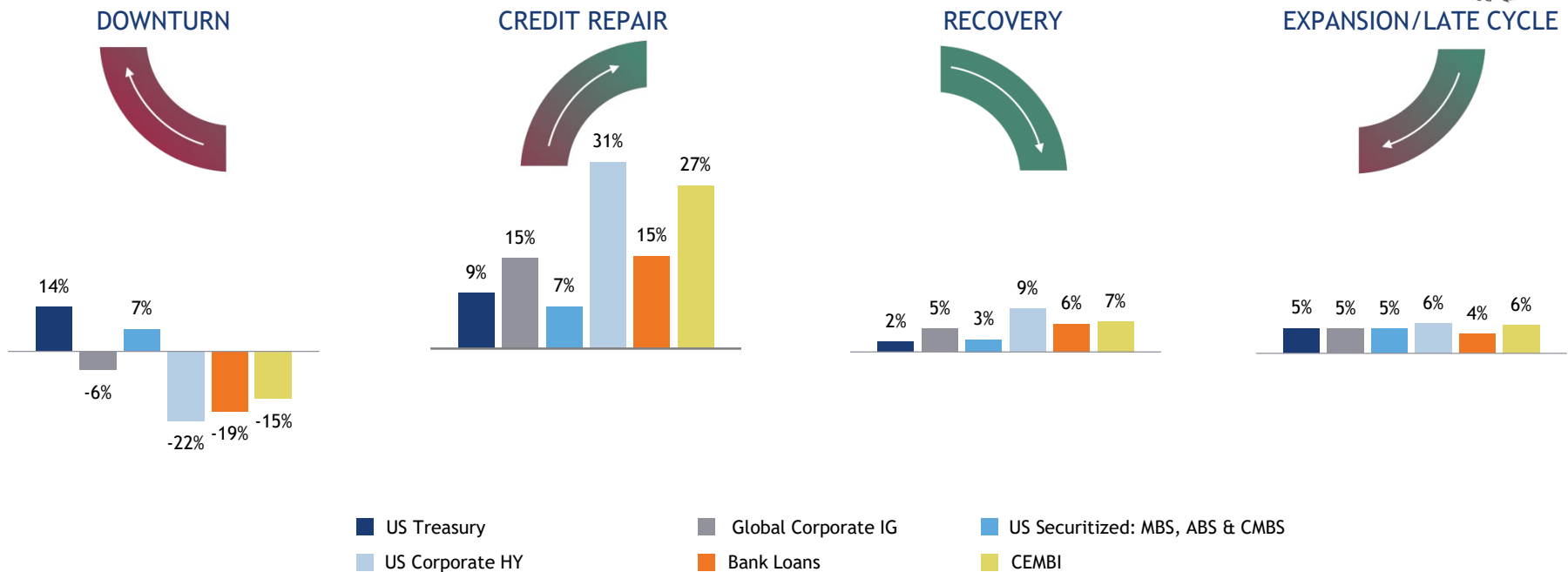
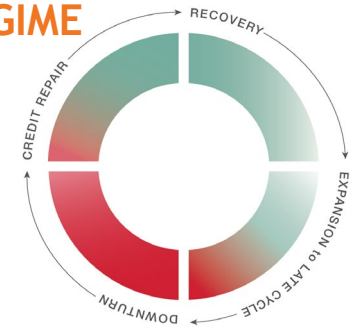
Firm Overview

CREDIT RESEARCH	EQUITY	MACRO STRATEGIES	MORTGAGE & STRUCTURED FINANCE	QUANTITATIVE RESEARCH & RISK ANALYSIS
<i>Alpha generation through differentiated insights</i>	<i>Driving alpha through independent thinking</i>	<i>Focused insights for investment team impact</i>	<i>Opportunities outside traditional asset classes</i>	<i>Bringing together the art and science of investing</i>
<p>Providing insight and differentiated perspectives across the credit classes, risk spectrum, and capital structure</p> 	<p>Active long-term strategies built on differentiated non-consensus insight</p> 	<p>Tailor-made research and data driven assessments of global macro investment conditions, opportunities and risks</p> 	<p>Uncovering hidden alpha in complex structured markets</p> 	<p>Generating signals that can identify risk patterns and opportunities</p> 
TRADING	ESG	INVESTMENT RISK OVERSIGHT	TECHNOLOGY	BUSINESS INFRASTRUCTURE
<i>Beyond trade execution</i>	<i>Integrate and engage</i>	<i>Ensuring investment teams are meeting client needs & expectations</i>	<i>Translating data into insight</i>	<i>Allowing investors to remain focused on alpha generation</i>
<p>+50 trading professionals integrated within all investment processes every step of the way</p> 	<p>Training and tools for investment teams to assess material ESG factors</p> 	<p>A common foundation underlying all strategies:</p> <ul style="list-style-type: none"> • Sound philosophy • Rigorous, repeatable process • Proprietary research • Disciplined portfolio construction • Integrated risk management 	<p>Tapping the power of our proprietary In2! technology platform, integrating more than 5 billion data points each day</p> 	<p>Legal, compliance, distribution, marketing, relationship management, & client services</p> 

credit asset thesis

FIXED INCOME ASSET PERFORMANCE VARIES SIGNIFICANTLY BY ECONOMIC REGIME

- The average returns of select fixed income asset classes in each stage of the cycle demonstrate that global cyclical analysis is a key component of a multi-asset framework
- Market technicals, valuations, and other exogenous factors make asset allocation a dynamic process, requiring a tactical approach from active management



Performance represents the annualized average of each Index's total return computed monthly during each of the four respective economic regimes as defined by Loomis Sayles from January 1, 1999 – April 30, 2020. We believe that the indexes selected represent the major domestic and global fixed income asset. The beginning time period represents the oldest date for which all indexes have a track record. Regime periods are determined by the investment team based on a variety of subjective and objective factors, including past economic and asset performance metrics. Please see the Credit Cycle Regime Periods slide later in the book for more details.

Past performance is no guarantee of future results.

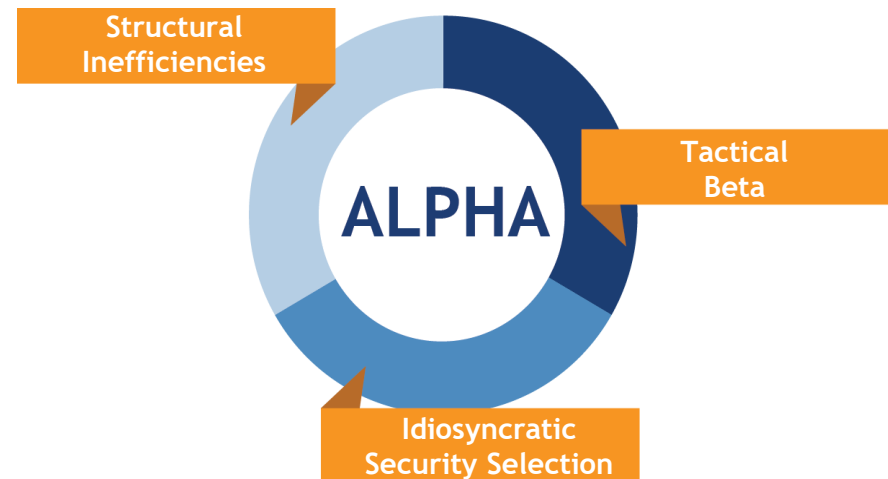
credit asset investment philosophy

KEY INVESTMENT TENETS

- A global opportunity set to seek credit risk premiums
- A top-down credit cycle framework
- Deep fundamental research
- Returns can be generated at asset class, sector, and security levels
- Active duration management to express views on interest rates and yield curves
- Disciplined risk management embedded in the investment process

SEEK TO GENERATE ALPHA

- Tactical Beta
- Idiosyncratic Security Selection
- Structural Inefficiencies



Views and opinions expressed reflect the current opinions of the sector team, and views are subject to change at any time without notice. Other industry analysts and investment personnel may have different views and opinions.

credit asset strategy

SUMMARY GUIDELINES

Investment strategy Seeks to maximize return potential by investing in what we consider to be attractive issuers in the investment grade credit, high yield credit, bank loan, and securitized markets based on the current phase of the credit cycle

SECTOR RANGES

Investment Grade Investments 0-100%

High Yield Investments 0-100%

High Yield Corporate 0-60%

Bank Loans 0-60%

Securitized Assets 0-25%

Duration range 0 - 7 years

Non-USD Denominated Investments* Allows 10% in Non-US Dollar that must be hedged back to USD*

Use of derivatives Futures, forwards, options, swaps

Benchmark
 50% Bloomberg Barclays US Corporate Investment Grade Index
 25% Bloomberg Barclays US Corporate High Yield 2% Capped Index
 25% S&P/LSTA Leveraged Loan Index

Purpose of the benchmark Benchmark agnostic portfolio may deviate significantly from the benchmark
 Benchmark provides guidance on risk and return expectations over a market cycle

**Non-US Dollar-denominated investments may not exceed 10% of the portfolio, excluding The Senior Floating Rate Fund, LLC, which allows for up to 5% of its total assets in senior loans denominated in currencies other than USD.*

Derivative trading involves substantial risk of loss.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Any investment that has the possibility for profits also has the possibility of losses.

strategy overview

HIGHLY EXPERIENCED, SEASONED TEAM

PORTFOLIO MANAGEMENT	ANDREA DICENSO	KEVIN KEARNS	TOM STOLBERG
Years of industry experience:	17	34	26
Years with firm:	14	13	12
KEY SUPPORT	Product Analysts Elaine Kan Mark LaRochelle Peter Yanulis	Quant. Research & Risk Analysis Mike Crowell Bharadwaj Kavuluru	Product Managers Roger Ackerman Alex Thompson*
			Portfolio Specialists Anthony Falzarano Peter Guzzi Boeurn Kan-Crawford
SECTOR TEAMS	Global Asset Allocation Emerging Markets	US Yield Curve High Yield Bank Loans	Sovereign Mortgage & Structured Finance Inv Grade / Global Credit Convertibles
SUBSECTOR PORTFOLIO MANAGERS	Bank Loans John Bell Mike Klawitter	Investment Grade Corporates Rick Raczkowski Kurt Wagner Carol Embree	High Yield Matt Eagan Todd Vandam Tom Stolberg Elaine Stokes
			Securitized Alessandro Pagani Cliff Rowe Ian Anderson
FIRM RESOURCES	Macro Strategies 2 Directors Associate Director Economist Senior Quantitative Analyst Senior Commodities Analyst 2 Senior Research Analysts 3 Senior Research Associates	Credit Research Director 2 Associate Directors Head of Municipal Research Head of Convertibles Research 37 Senior Analysts 12 Analysts 7 Research Senior Associates 7 Research Associates	Mortgage & Structured Finance Head Portfolio Manager 4 Strategists 4 Senior Analysts 1 Research Analyst 7 Research Associates Director, MSF Trading 4 MSF Traders/TAs
	Quant. Research & Risk Analysis Director 2 Associate Directors Director, LDI Solutions Senior Quantitative Analyst 7 Quantitative Analysts	Equity Research 12 Senior Analysts 9 Analysts 3 Research Associates	Fixed Income Trading 24 Traders/TAs Director, Portfolio Implementation 15 Portfolio Specialists Director, Operational Trading Risk Mgt. Risk Analyst

As of 9/30/2020.

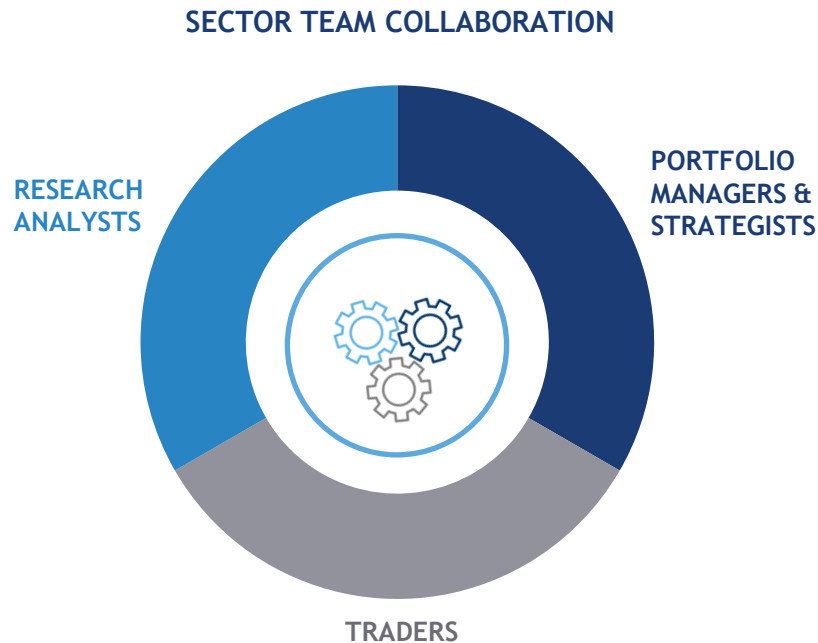
*This team member is located in the Loomis Sayles UK office.

sector teams

COLLABORATION OF PORTFOLIO MANAGERS, STRATEGISTS, RESEARCH ANALYSTS AND TRADERS

Discuss, debate and generate investment ideas and themes to enhance our investment decision making process

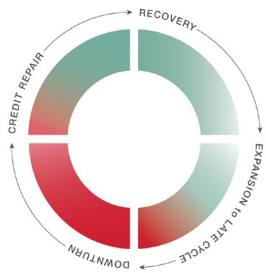
- Develop top-down and bottom-up valuation framework and market analysis
- Identify where investment value may lie in various markets and/or what we view as the most attractive securities in each sector
- Monitor and measure sector performance and trends including secular changes, corporate events, and ESG factors



SECTOR TEAMS	
MACRO-FOCUSED	MARKET-FOCUSED
<ul style="list-style-type: none"> • Global Asset Allocation • US Yield Curve • Developed Non-US Markets 	<ul style="list-style-type: none"> • Bank Loans • Commodities • Convertibles • Emerging Markets • Equity • Global Credit • High Yield • Investment Grade Corporate • Municipals • Mortgage & Structured Finance • US Government

investment process

OVERVIEW



TOP-DOWN:

- Macroeconomic and investment themes
- Global credit cycle

PORTFOLIO MANAGERS



MACRO & MARKET SECTOR TEAMS:



- Sector relative value
- Security relative value

BOTTOM-UP:



- Utilize sector teams best issuer ideas to drive security selection
- Identify our best bottom-up opportunities

RISK ANALYSIS & MANAGEMENT



PORTFOLIO CONSTRUCTION

- Country, Rate & Spread Targets
- Multi-Sector Allocation
- Specific Alpha Opportunities



CREDIT ASSET



PORTFOLIO OPTIMIZATION

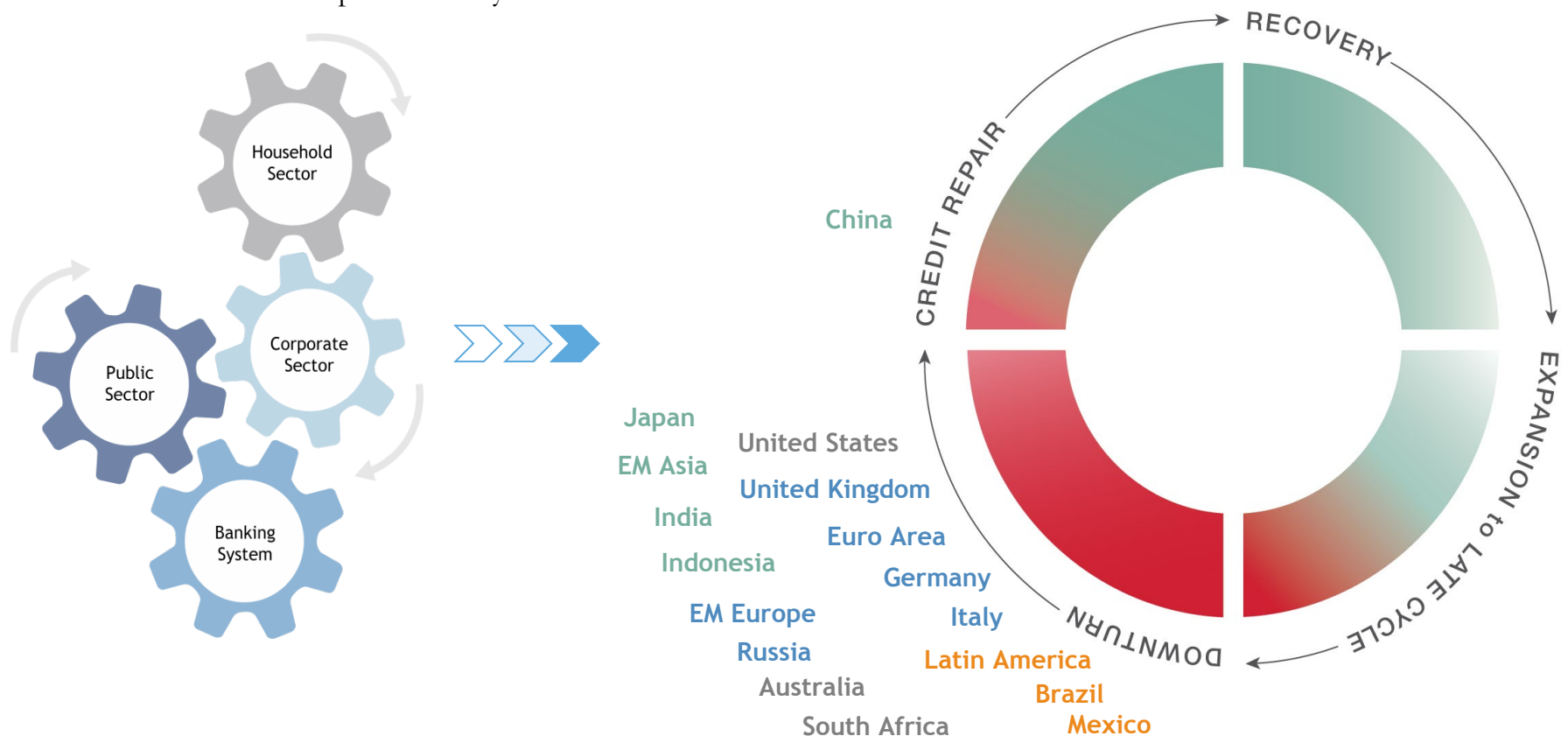
- Risk-Adjusted Return & Downside Analysis

RISK ANALYSIS & MANAGEMENT

top-down macro view

ASSESSING WHERE COUNTRIES FALL IN THE GLOBAL CREDIT CYCLE

- Identify key sectors of each economy and their interaction
- Evaluate each sector's balance sheet and income statements
- Assemble into complete country view



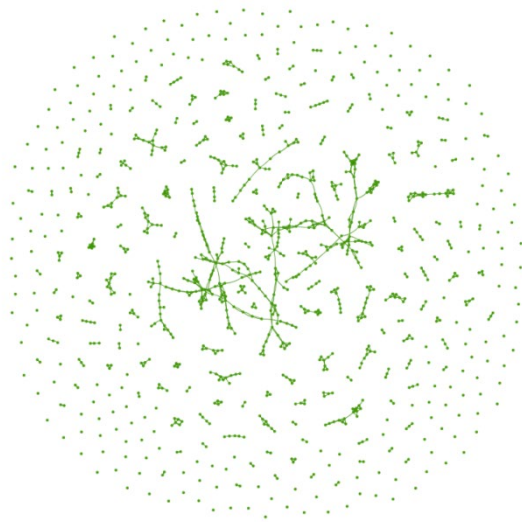
Product team view as of 4/6/2020.

This material is provided for informational purposes only and should not be construed as investment advice. Investment decisions should consider the individual circumstances of the particular investor. Views and opinions expressed reflect the current opinions of the sector team, and views are subject to change at any time without notice. Other industry analysts and investment personnel may have different views and opinions.

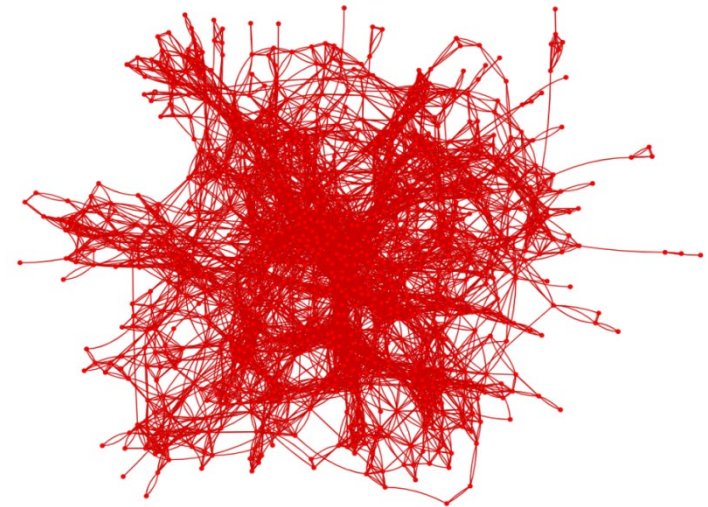
top-down macro view

UNDERSTANDING VARYING DEGREES OF MARKET STRESS

- Financial markets adjust to conditions well before publications of economic variables
- Monitoring changing environments of market stress is critical in assessing and forecasting market volatility
- Measuring the degree of market stress frames the relative value discussion across fixed income asset classes and can help manage risk and limit drawdowns



Stock network during low CSR*



Stock network during high CSR*

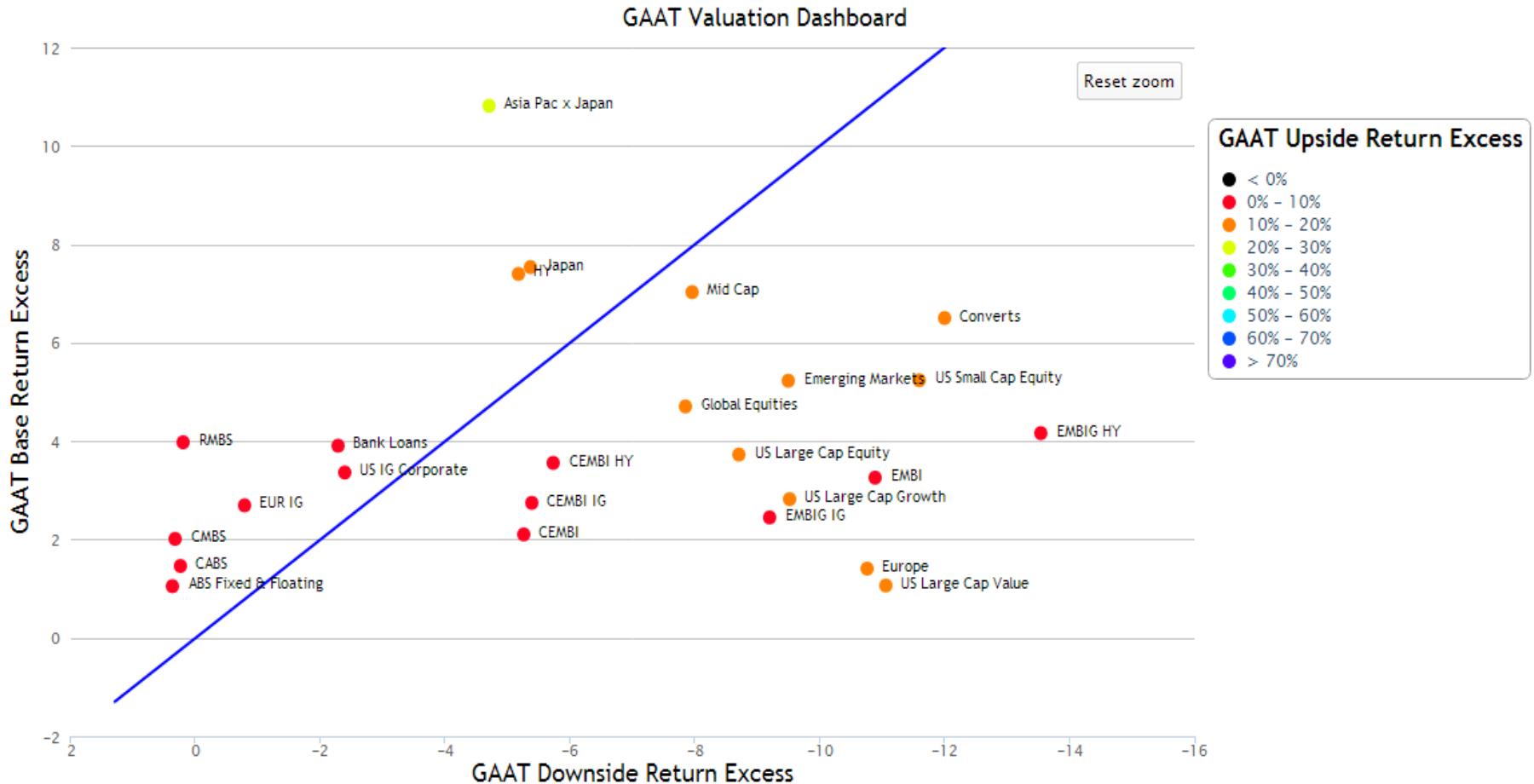
Our proprietary regime classification approach helps us to categorize regimes into three classes based on degree of market interconnectedness (DOI)

For Illustrative Purposes Only

*Crisis Sensitivity Ratio

sector team views

ASSET CLASS OUTLOOK



Source: Loomis Sayles, based on internally produced calculations.

Chart is illustrative for presentation purposes only as a sampling of risk management tool output.

The information shown includes U.S. and global major indexes and is not intended to represent any actual portfolio.

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Past performance is no guarantee of future results.

bottom-up idea generation

SELECT OUR BEST BOTTOM-UP SECURITY IDEAS USING THE BROADER LOOMIS SAYLES RESEARCH AND SECTOR TEAMS

Each idea is analyzed and rated based on the following framework

- 2,076 corporate credits and 334 unique bank loans (including 144a and other non-index eligible issuers)*

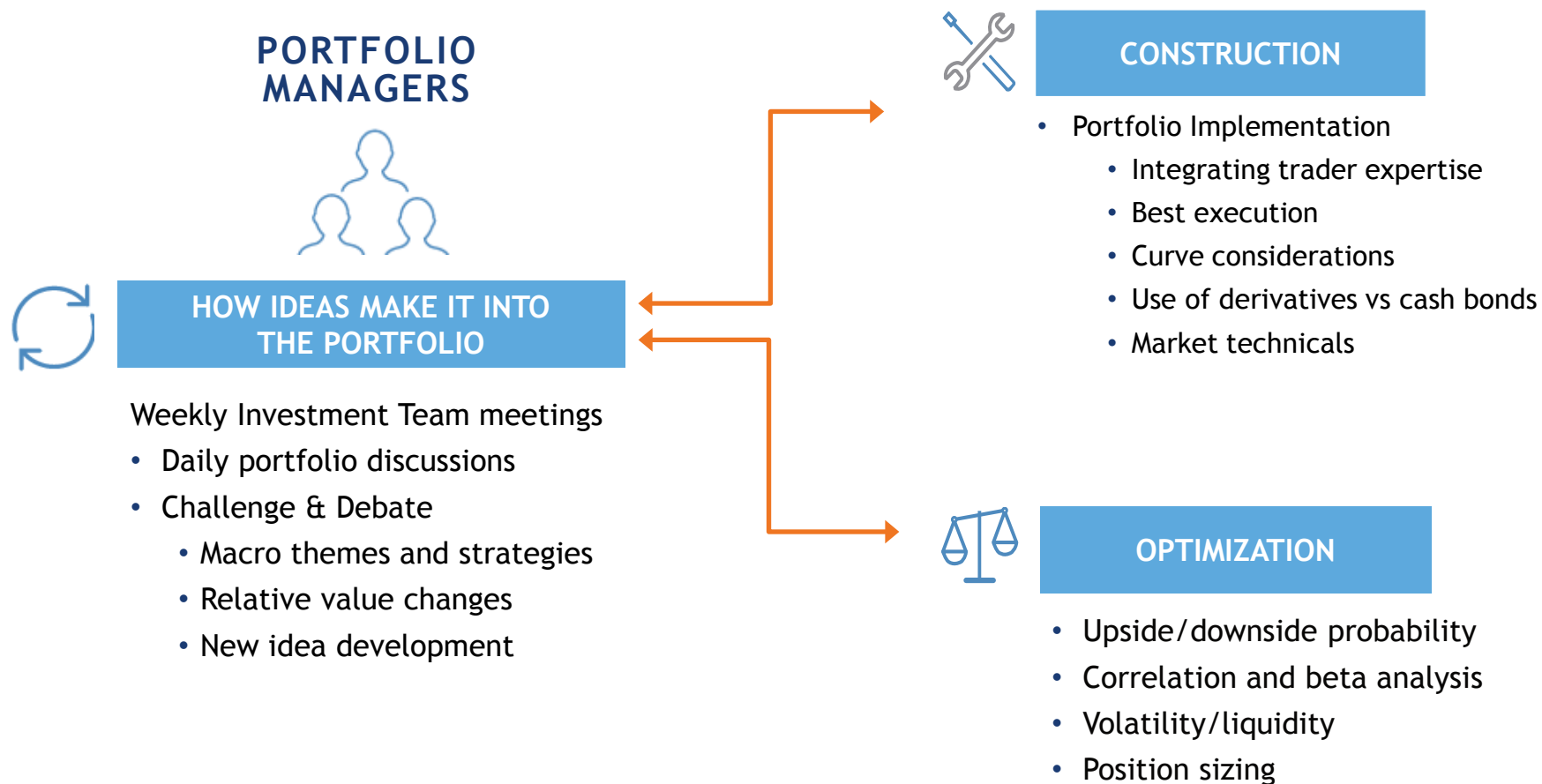
LS ISSUER RATING	VOLATILITY BY ISSUER	VALUATION BY ISSUER	LIQUIDITY	ESG
Higher: aaa	Market	1 Outperform	4 Very liquid	Utilising MSCI & Bloomberg ESG ratings
aa	Opportunistic	2 Market Perform	3	
a	Speculative	3 Underperform	2	
Lower: bbb/HY		4 Major Underperform	1 Less liquid	

*As of 12/31/2019.

The above table is being shown for illustrative purposes only and is not representative of any specific Loomis product or holding, Loomis Research Recommendation; Relative to the analyst's industry coverage in market segment (e.g., investment grade or high yield).

portfolio construction and optimization

DISCIPLINED AND COLLABORATIVE DECISION-MAKING PROCESS



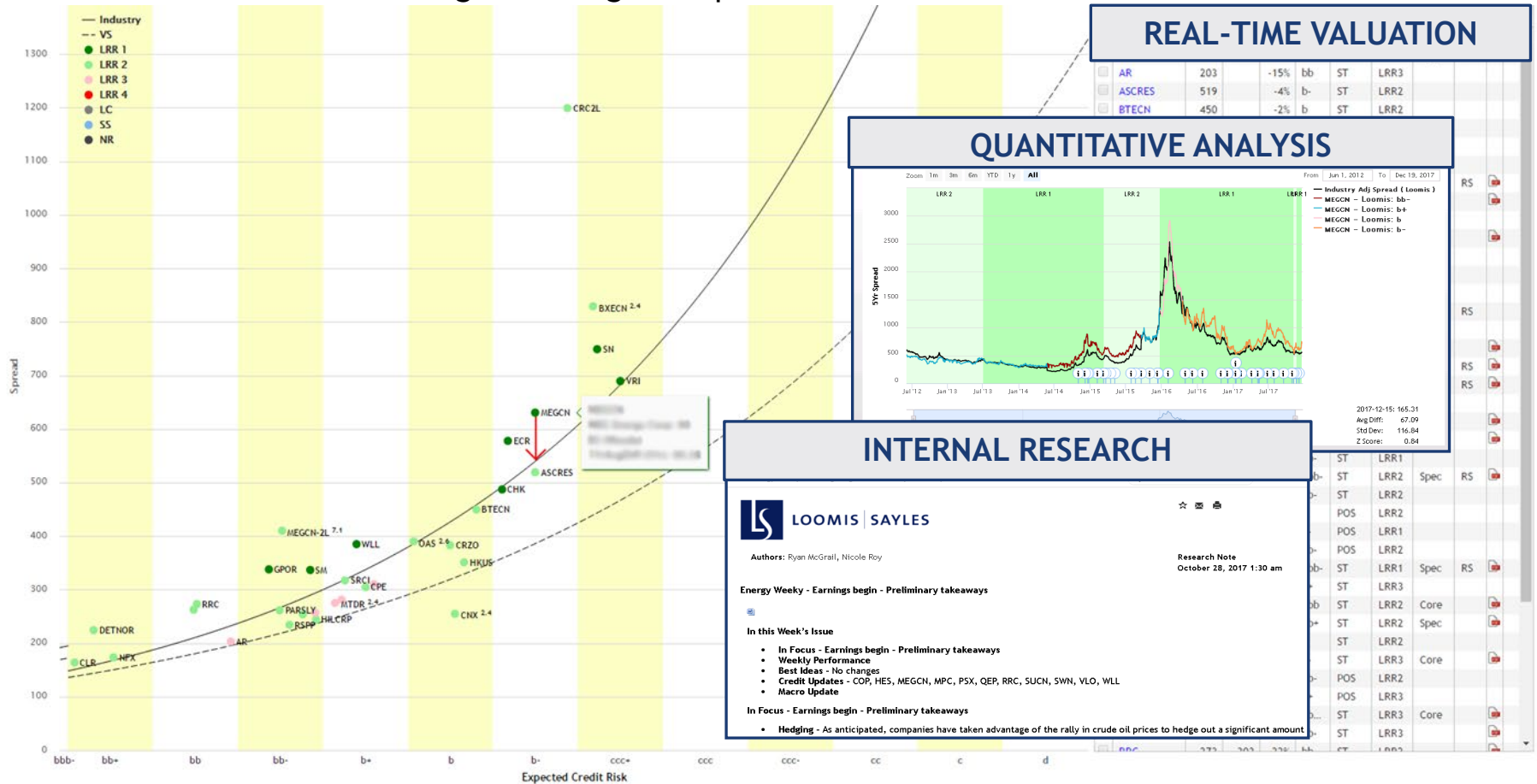
Derivative trading involves substantial risk of loss.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Any investment that has the possibility for profits also has the possibility of losses.

portfolio construction

TOOLS FOR IDEA GENERATION - URV

Unified relative value screening that integrates quantitative valuation with internal fundamental research



As of 12/8/2017

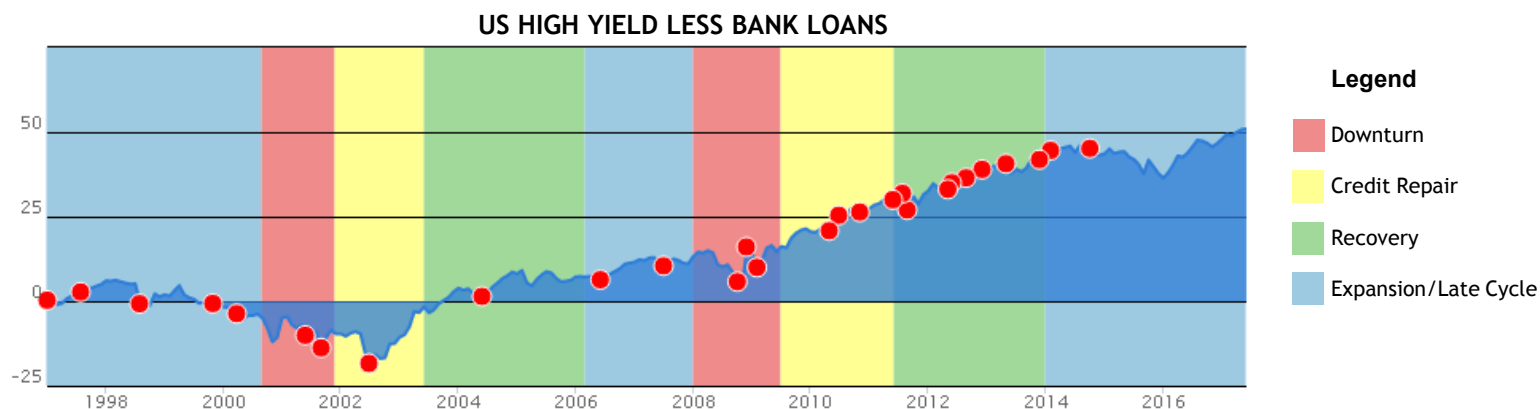
Data Source: Loomis Sayles

Charts are illustrative for presentation purposes only as a sampling of risk management tool output.

Some or all of this information on these charts may be dated, and, therefore, should not be the basis to purchase or sell any securities. The information is not intended to represent any actual portfolio.

portfolio optimization

PROPRIETARY TOOLS PROVIDE INPUTS INTO RISK-ADJUSTED ASSET ALLOCATION



ANNUALIZED TOTAL RETURN (%)

	Entire Period	Downturn	Credit Repair	Recovery	Expansion/Late Cycle
Bank Loan	5.10	0.25	9.89	5.56	4.50
High Yield	7.29	0.10	15.59	9.15	5.24

MAX DRAWDOWN (%)

	Entire Period	Downturn	Credit Repair	Recovery	Expansion/Late Cycle
Bank Loan	-30.1	-29.1	-3.2	-4.6	-5.0
High Yield	-33.3	-32.5	-11.9	-7.1	-9.7

RETURN / MAX DRAWDOWN

	Entire Period	Downturn	Credit Repair	Recovery	Expansion/Late Cycle
Bank Loan	0.17	0.01	3.14	1.21	0.91
High Yield	0.22	0.00	1.31	1.28	0.54

Charts are illustrative for presentation purposes only as a sampling of risk management tool output. Some or all of this information on these charts may be dated, and, therefore, should not be the basis to purchase or sell any securities. The information is not intended to represent any actual portfolio. Scenario analysis has inherent limitations and should not be viewed as predictive of future events. It relies on opinions, assumptions and mathematical models, which can turn out to be incomplete or inaccurate. Actual results will be different. The views do not represent the actual or expected future performance of any Loomis Sayles product.

risk management

EVALUATION AND MONITORING OF OVERALL RISK PROFILE



portfolio review

AS OF 9/30/2020

Characteristics	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	From 4/30/2009 to 9/30/2020	
						Max	Min
Yield to Worst (%)	3.40	4.35	5.82	4.37	4.66	11.54	3.23
Effective Duration (years)	5.10	5.67	5.38	4.56	5.12	5.70	3.02
Effective Maturity (years)	7.91	8.88	9.24	7.11	8.48	10.44	5.55
OAS (bps)	224	357	445	200	212	1,010	113
Coupon (%)	4.63	5.08	4.58	5.01	5.07	6.82	4.58
Current Yield (%)	3.72	4.70	5.19	4.77	4.88	9.73	3.72
Average Quality	BAA3	BA1	BAA3	BA1	BAA3	BAA1	BA1

Quality (%)	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019	From 4/30/2009 to 9/30/2020	
						Max	Min
Investment Grade	56.35	48.78	56.17	47.26	51.61	72.52	42.04
AAA	15.19	7.09	6.29	5.97	6.30	21.53	0.81
AA	2.49	2.67	3.43	2.81	4.09	9.01	1.77
A	9.60	8.74	20.16	16.40	17.27	27.89	8.60
BAA	29.07	30.28	26.28	22.08	23.95	33.39	14.99
High Yield	46.62	50.38	43.82	52.24	47.79	57.95	26.39
BA	25.56	29.87	26.55	30.45	30.09	36.81	17.07
B	18.97	18.61	15.50	19.81	16.38	28.16	7.59
CAA & Lower	2.09	1.90	1.77	1.98	1.33	7.11	0.64
NR	-2.97	0.84	0.01	0.50	0.60	4.22	-9.58

Data Source: Loomis Sayles, as of 9/30/2020.

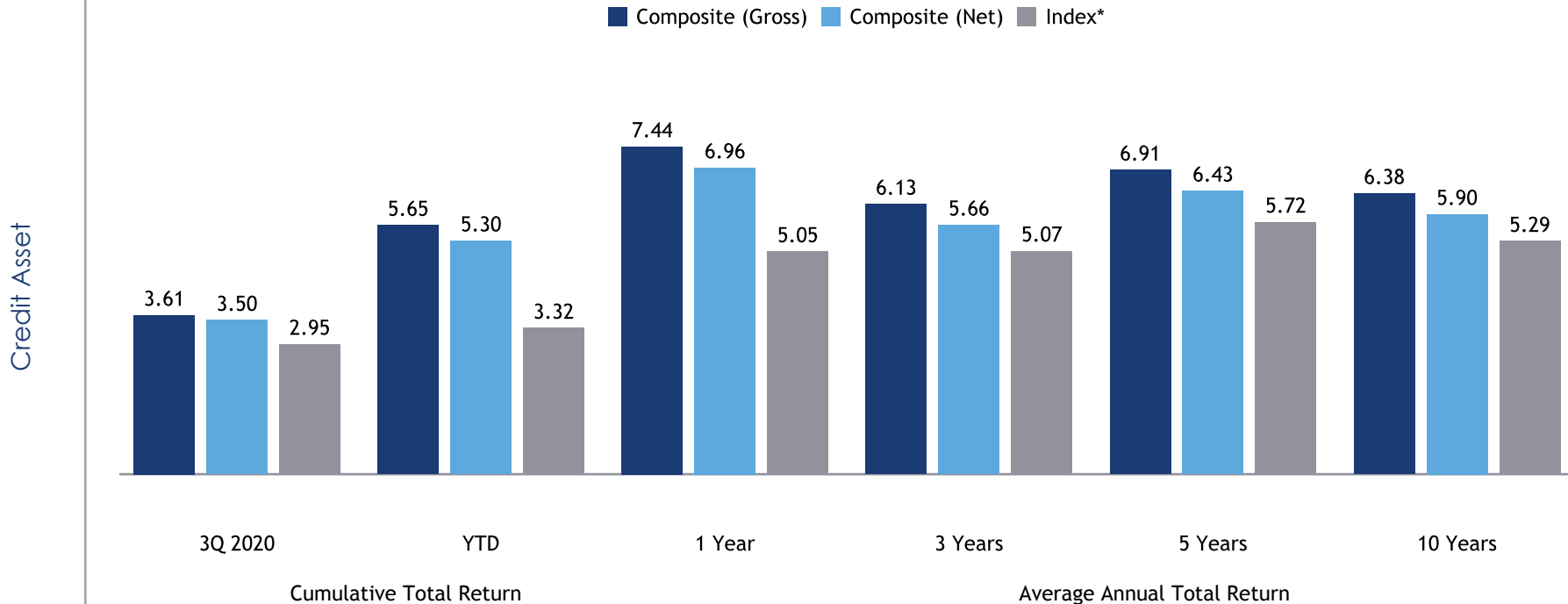
Credit Quality reflects the highest credit rating assigned to individual holdings of the representative account among Moody's, S&P or Fitch; ratings are subject to change. Due to active management, characteristics will evolve over time. Due to rounding, totals may not equal 100%. Both duration and maturity for equity securities are deemed to be zero. Returns may increase or decrease as a result of currency fluctuations. Characteristics are shown for a representative account as supplemental information. Due to system limitations, it is difficult to analyze this data on a composite basis. This representative account was selected because it closely reflects the Loomis Sayles Credit Asset investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts managed in the Credit Asset investment style.

The Disclosure Statement at the end of this presentation displays performance, including dispersion, for the Loomis Sayles Credit Asset Composite.

Past performance is no guarantee of future results.

portfolio review

COMPOSITE PERFORMANCE AS OF 9/30/2020 (%)



Data Source: Loomis Sayles, Bloomberg Barclays, JP Morgan, and S&P.

*The index is 50% Bloomberg Barclays Corporate, 25% Bloomberg Barclays High Yield 2% Capped, 25% S&P/ LSTA Leveraged Loan Index.

Returns for multi-year periods are annualized. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

Returns may increase or decrease as a result of currency fluctuations.

Please see Disclosure Statement at the end of this presentation for a complete description of the Loomis Sayles Credit Asset Composite.

Past performance is no guarantee of future results.

additional notes – key investment risks

Credit Risk

The risk that the issuer or borrower will fail to make timely payments of interest and/or principal. This risk is heightened for lower rated or higher yielding fixed income securities and lower rated borrowers.

Issuer Risk

The risk that the value of securities may decline due to a number of reasons relating to the issuer or the borrower or their industries or sectors. This risk is heightened for lower rated fixed income securities or borrowers.

Liquidity Risk

The risk that the strategy may be unable to find a buyer for its investments when it seeks to sell them, which is heightened for high yield, mortgage-backed and asset-backed securities.

Interest Rate Risk

The risk that the value of a debt obligation falls as interest rates rise.

Non-U.S. Securities Risk

The risk that the value of non-U.S. investments will fall as a result of political, social, economic or currency factors or other issues relating to non-U.S. investing generally. Among other things, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments can negatively impact the value of investments. Non-U.S. securities markets may be relatively small or underdeveloped, and non-U.S. companies may not be subject to the same degree of regulation or reporting requirements as comparable U.S. companies. This risk is heightened for underdeveloped or emerging markets, which may be more likely to experience political or economic stability than larger, more established countries. Settlement issues may occur.

Currency Risk

The risk that the value of investments will fall as a result of changes in exchange rates, particularly for global portfolios.

Derivatives Risk (for portfolios that utilize derivatives)

The risk that the value of the Strategy's derivatives instruments will fall because of changes in the value of the underlying reference instrument, pricing difficulties or lack of correlation with the underlying investment.

Leverage Risk (for portfolios that utilize leverage)

The risk of increased loss in value or volatility due to the use of leverage, or obtaining investment exposure greater than the value of an account.

Counterparty Risk

The risk that the counterparty to a swap or other derivatives contract will default on its obligations.

Prepayment Risk

The risk that debt securities, particularly mortgage-related securities, may be prepaid, resulting in reinvestment of proceeds in securities with lower yields. An investment may also incur a loss when there is a prepayment of securities purchased at a premium. Prepayments are likely to be greater during periods of declining interest rates.

Extension Risk

The risk that an unexpected rise in interest rates will extend the life of a mortgage or asset-backed security beyond the expected prepayment time, typically reducing the security's value.

Equity Risk

The risk that the value of stock may decline for issuer-related or other reasons.

Non-Diversified Strategies

Non-diversified strategies tend to be more volatile than diversified strategies and the market as a whole.

Municipal Securities Risk

The risk that municipal markets may be volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

Models and Data Risk

The strategy may utilize quantitative model based strategies. This is the risk that one or all of the quantitative or systematic models used may fail to identify profitable opportunities at any time. These models may incorrectly identify opportunities and these misidentified opportunities may lead to substantial losses. Models may be predictive in nature and may result in an incorrect assessment of future events. Data used in the construction of models may prove to be inaccurate or stale, which may result in investment losses.

General Risk

Any investment that has the possibility for profits also has the possibility of losses.

composite disclosure statement

AS OF 12/31/2019

Firm

Loomis, Sayles & Company, L.P. (“Loomis Sayles”) is an autonomous investment advisory firm registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.

Selection Criteria for the Credit Asset Composite (“Composite”)

The Composite includes all discretionary accounts with market values greater than \$75 million managed by Loomis Sayles that seek to maximize return potential by investing in what we consider to be attractive issuers in the investment grade credit, high yield credit, bank loan and securitized markets based on the current phase of the credit cycle. Asset allocation is determined by evaluating the current stage of the credit cycle and the attractiveness of the various sectors. Interest rate duration is managed from zero to seven years. Exposure to non-USD denominated investments is permitted up to 10% and is hedged back to USD. The Composite was created in 2010.

Loomis Sayles claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Loomis Sayles has been independently verified for the periods January 1, 1999 through December 31, 2019. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Some of the accounts in this Composite may from time to time employ the use of futures, options, and swaps in order to gain exposure to, or hedge against, risks linked to interest rates, exchange rates, commodities, or other financial assets or markets. In order to achieve their investment objective, some of the accounts in this Composite may use credit derivatives, such as credit default swaps (CDS) and credit default swap indexes (CDX), to manage the specific credit risks of certain issuers and to manage segments of the broader credit market.

Benchmark

The benchmark for the Composite is 50% Bloomberg Barclays U.S. Corporate Investment Grade, 25% Bloomberg Barclays U.S. Corporate High-Yield 2% Issuer Capped Index, and 25% S&P/LSTA Leveraged Loan (“Index”) and is rebalanced monthly. The Index is composed of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The Bloomberg Barclays U.S. Corporate High-Yield 2% Issuer Capped Index is an issuer-constrained version of the Bloomberg Barclays U.S. High Yield Index, which covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody’s, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Maximum allocation of 2% to any one issuer. S&P/LSTA Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads and interest payments. The investment portfolio underlying the Index is different from the investment portfolios of the accounts included in the Composite. The Index is used for comparative purposes only, is not intended to parallel the risk or investment style of the accounts in the Composite, and does not reflect the impact of fees and trading costs. The source of all data regarding the Index is Bloomberg Barclays and Standard & Poor’s.

Calculation Methodology

Gross of fee account returns are time-weighted rates of return, net of commissions and transaction costs. Net of fee account returns are the gross returns less the effective management fee for the measurement period. The effective fee for an account is derived by using beginning of measurement period assets and the standard fee schedule for the Composite to calculate an annual fee amount. The fee amount is divided by the assets for an annual effective fee. The monthly effective fee is based on 1/12 of the annual effective fee.

All performance results are expressed in US dollars. Performance results include the reinvestment of dividends and other earnings on holdings in the Composite and Index. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Loomis Sayles’s advisory fees are presented below and may also be found in Part II of Form ADV.

Annual Rates Applied to Assets Under Management

0.45% on total value; Minimum account size: \$100 million; Minimum annual fee: \$450,000.

composite disclosure statement

AS OF 12/31/2019

Credit Asset Composite

Period	Composite Gross Return (%)	Composite Net Return (%)	Blended Index^ (%)	Composite 3-Yr St Dev* (%)	Benchmark 3-Yr St Dev* (%)	Number of Portfolios in Composite End of Period	Internal Dispersion of Returns** (%)	Composite Total Assets End of Period (USD M)	Total Firm Assets End of Period (USD M)
2019	13.14	12.64	13.03	2.80	2.68	≤ 5	N/M	884	276,489
2018	-1.20	-1.65	-1.64	3.30	3.02	≤ 5	N/M	697	249,718
2017	7.35	6.87	6.11	3.78	3.32	≤ 5	N/M	642	268,086
2016	12.15	11.65	9.83	4.01	3.58	≤ 5	N/M	600	240,193
2015	-2.36	-2.80	-1.59	3.53	3.25	≤ 5	N/M	476	229,126
2014	4.88	4.41	4.73	3.49	3.22	≤ 5	N/M	522	230,229
2013	4.72	4.25	2.36	4.68	4.04	≤ 5	N/M	556	199,777
2012	14.57	14.06	11.26	4.96	4.01	≤ 5	N/M	659	186,115
2011	3.83	3.37	5.73	N/A	N/A	≤ 5	N/M	517	162,606
2010	14.23	13.73	10.79	N/A	N/A	≤ 5	N/M	620	151,550

^The index is 50% Bloomberg Barclays Corporate Index, 25% Bloomberg Barclays 2% Capped High Yield Issuer Index and 25% S&P/LSTA Leveraged Loan Index and is rebalanced monthly.

*The three-year annualized standard deviation measures the variability of the gross composite returns and the benchmark returns over the preceding 36 month period.

**The internal dispersion of returns presented reflects the annual equal weighted standard deviation and is calculated as the average dispersion from the mean return of all accounts included in the Composite for the entire year.

N/A - There are fewer than 36 months since the Composite inception.

N/M - Measures of internal dispersion with five or fewer accounts for the entire period are not considered meaningful.

Currently, only one account is assigned to this Composite.

The firm's list of composite descriptions is available upon request.

Past performance is no guarantee of future results.

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: 3rd Quarter Investment Update 2020

(No Action Requested)

Josh Kevan from RVK will review the performance of the Board of University and School Land's (Board) investment program for the period ending September 30, 2020.

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

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

Attachment 1: RVK Permanent Trust Fund Performance Report

Attachment 2: RVK Ultra-short Performance Report



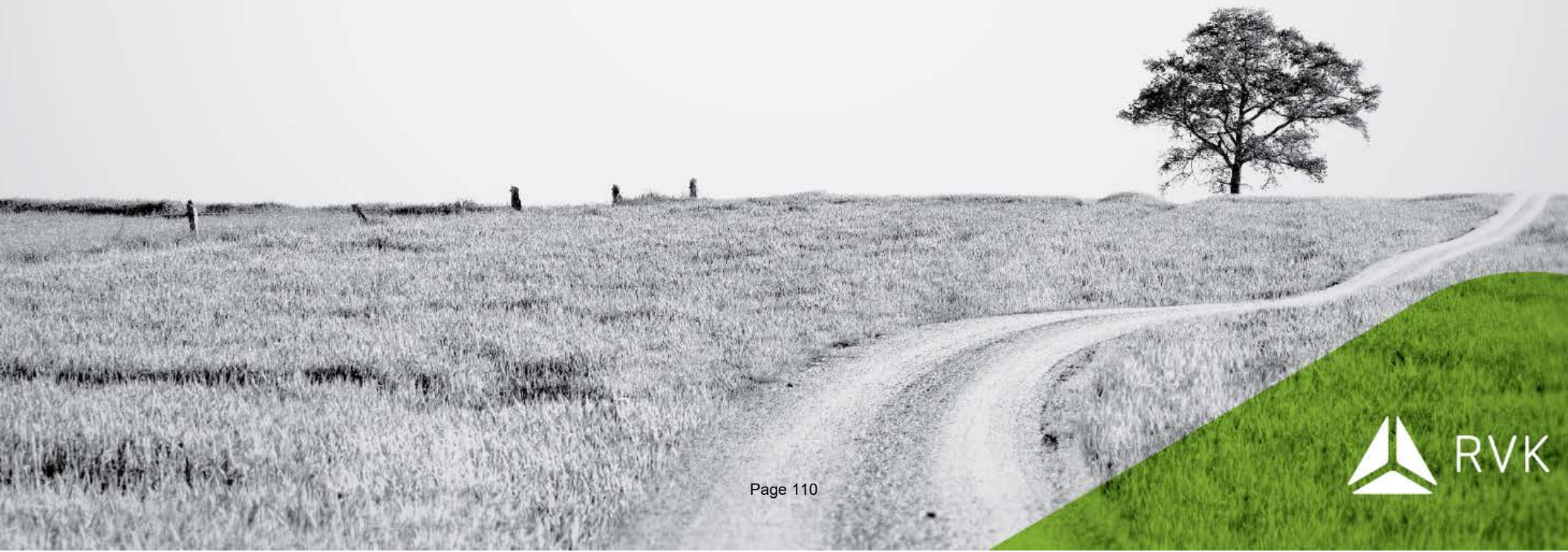
Investment Performance Analysis

North Dakota Board of University and School Lands

Period Ended: September 30, 2020



I. Capital Markets Review

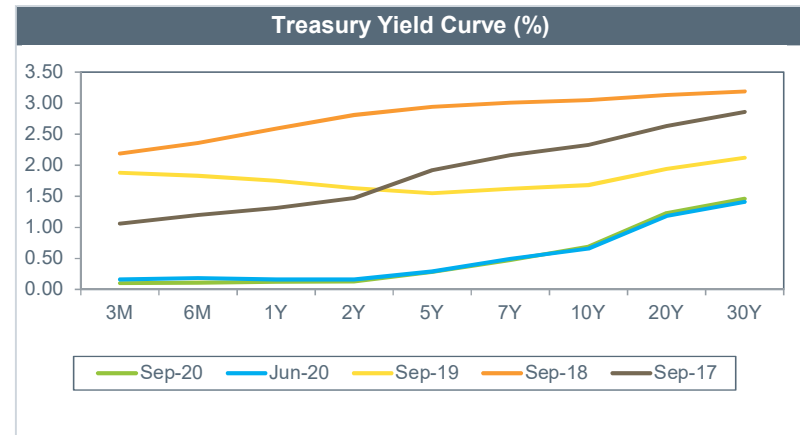


Third Quarter Economic Environment

Key Economic Indicators

In the first two months of Q3, capital markets generally tracked trends stemming from the latter half of Q2. After strong results in the first two months of the quarter, returns from risk assets reversed in September due to growing concerns over a stagnating recovery and reduced confidence that the US Congress could agree to enact further fiscal stimulus. In addition, the upcoming US presidential and congressional elections offer another source of uncertainty when building expectations for the ongoing economic recovery. The Federal Open Market Committee (FOMC) maintained its accommodative stance and boosted sentiment further by announcing it will use an average inflation target indicating that it could accept levels above its stated 2% target in future periods. Market participants largely saw this as an indication that policy could remain supportive for longer than expected with a fixed inflation target. As of October 1st, the Atlanta Fed's GDPNow annualized estimate for Q3 growth stood at 34.6% which stands in stark contrast to the final reading of the Q2 GDP decline of -31.4%. On a non-annualized basis, the decline in real US GDP, peak to trough, was -10.1%, according to JP Morgan, compared to a -4.0% decline during the great financial crisis. For calendar year 2020, the OECD released a projection in September for a -4.5% contraction in global GDP, which represented an improvement from its June projection for a -6.0% contraction.

Economic Indicators	Sep-20	Jun-20	Sep-19	Sep-17	20 Yr
Federal Funds Rate (%)	0.09 ▲	0.08	1.90	1.06	1.1
10 Year US Treasury Yield	0.69 ▲	0.66	1.68	2.33	5.80
30 Year US Treasury Yield	1.46 ▲	1.41	2.12	2.86	5.88
Consumer Price Index YoY (Headline) (%)	1.4 ▲	0.6	1.7	2.2	2.6
Unemployment Rate (%)	7.9 ▼	11.1	3.5	4.2	4.6
Real Gross Domestic Product YoY (%)	-2.9 ▲	-9.0	2.1	2.4	1.8
PMI - Manufacturing	55.4 ▲	52.6	48.2	59.9	52.5
US Dollar Total Weighted Index	117.35 ▼	120.86	117.99	110.08	103.23
WTI Crude Oil per Barrel (\$)	40.2 ▲	39.3	54.1	51.7	62.2

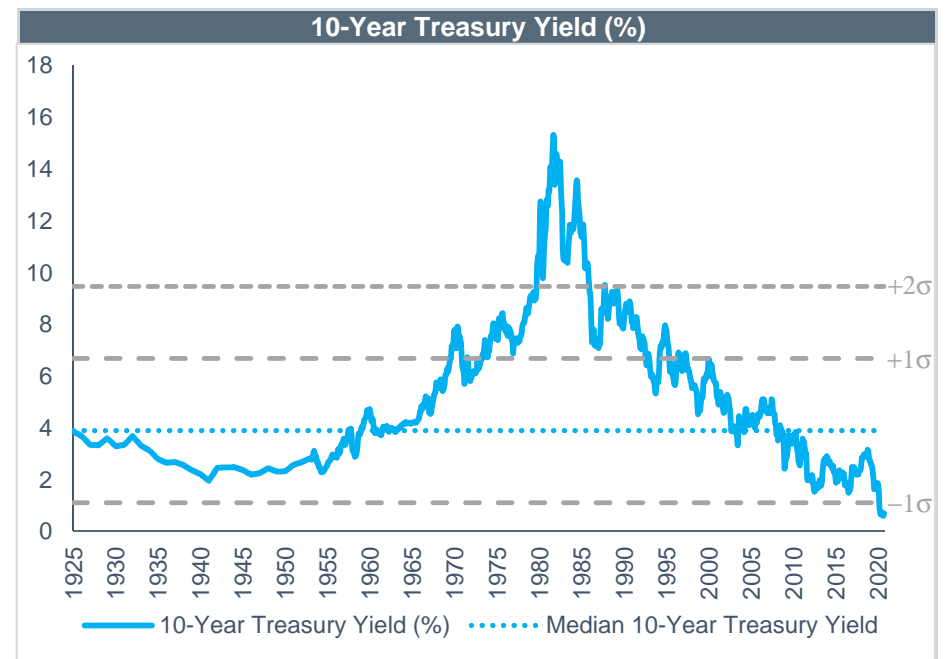
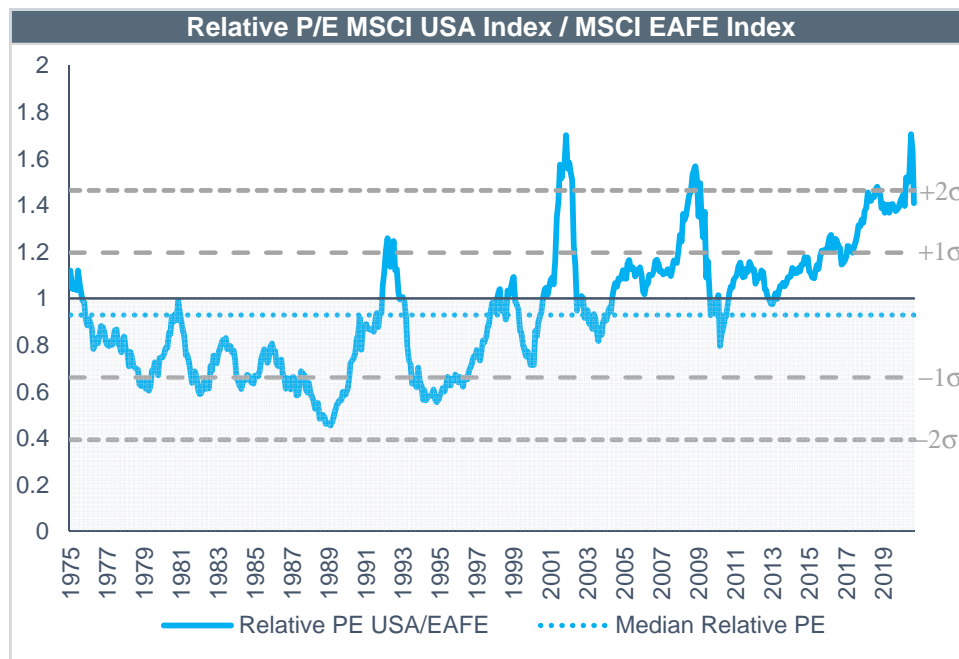
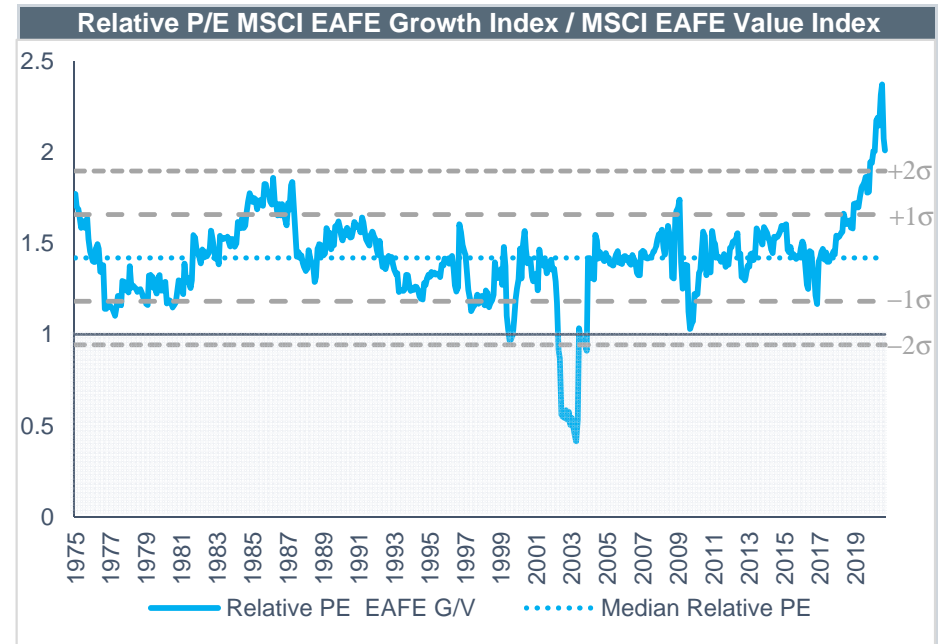
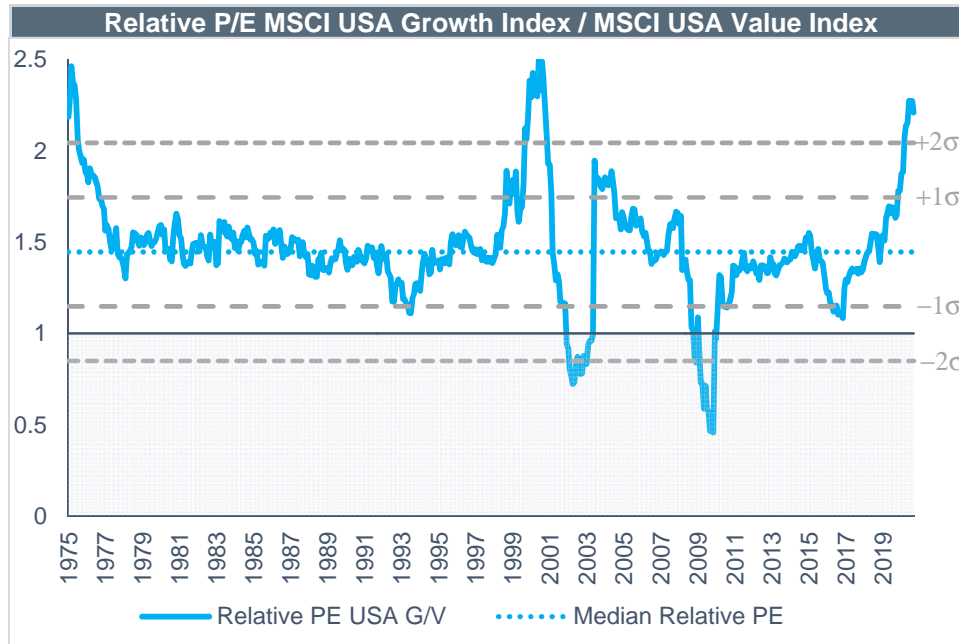


Market Performance (%)	QTD	CYTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	20 Yr
S&P 500 Index (US Large Cap Equity)	8.93	5.57	15.15	12.28	14.15	13.74	9.19	6.42
US Small Cap Equity	4.93	-8.69	0.39	1.77	8.00	9.85	7.03	6.88
Developed International Equity	4.80	-7.09	0.49	0.62	5.26	4.62	3.73	3.58
Developed International Small Cap Equity	10.25	-4.20	6.84	1.40	7.37	7.33	5.55	7.44
Emerging Markets Equity	9.56	-1.16	10.54	2.42	8.97	2.51	5.81	7.83
US Aggregate Bond	0.62	6.79	6.98	5.24	4.18	3.64	4.48	5.01
3 Month US Treasury Bill	0.04	0.64	1.10	1.69	1.20	0.64	1.29	1.59
US Real Estate	0.48	-0.12	1.39	5.18	6.64	10.27	6.69	7.61
Real Estate Investment Trusts (REITs)	1.44	-17.54	-18.16	0.20	3.95	7.90	5.85	9.12
Commodities	9.07	-12.08	-8.20	-4.18	-3.09	-6.03	-4.82	-0.58

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. Real Gross Domestic Product YoY (%) is available quarterly. Real estate is reported quarterly; QTD returns are shown as "0.00" on interim-quarter months and until available.

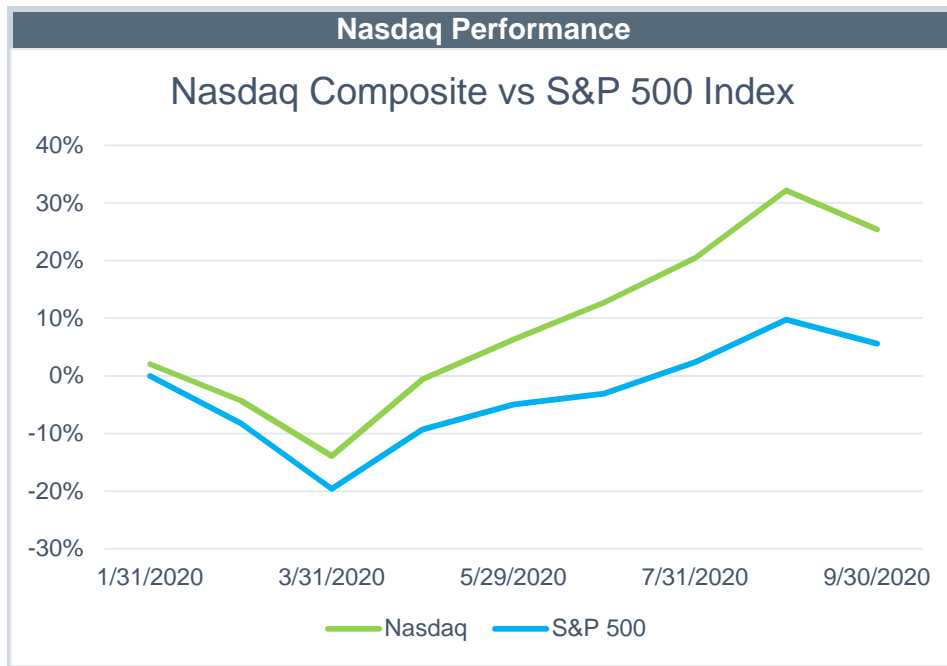
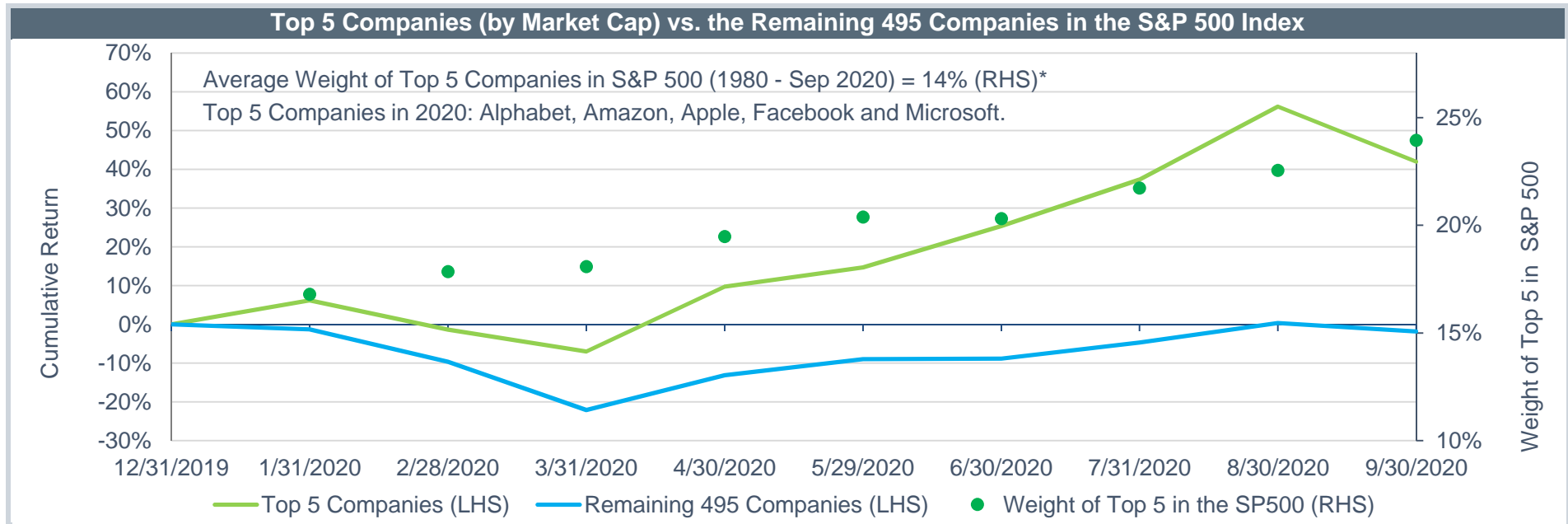
Extreme Pricing Conditions

As of September 30, 2020



Relative valuation ratios are based on historical P/E ratios using trailing 12-month EPS, courtesy of MSCI. Treasury yield data courtesy of Robert Shiller. Data use monthly periodicity. Sigma symbol represents standard deviation.





Top 5 Companies (by Market Cap) & the Combined Weight in S&P500

1980**	1989**	1999	2009	2019
IBM	Exxon	Microsoft	Exxon	Apple
AT&T	General Electric	General Electric	Microsoft	Microsoft
Exxon	IBM	Cisco	Apple	Alphabet
Standard Oil	AT&T	Wal-Mart	Johnson & Johnson	Amazon
Schlumberger	Royal Dutch	Exxon	Procter & Gamb	Facebook
19%	12%	17%	11%	17%

■ Communications
■ Cons. Staples
■ Health Care
■ Technology

■ Cons. Discr.
■ Energy
■ Industrials

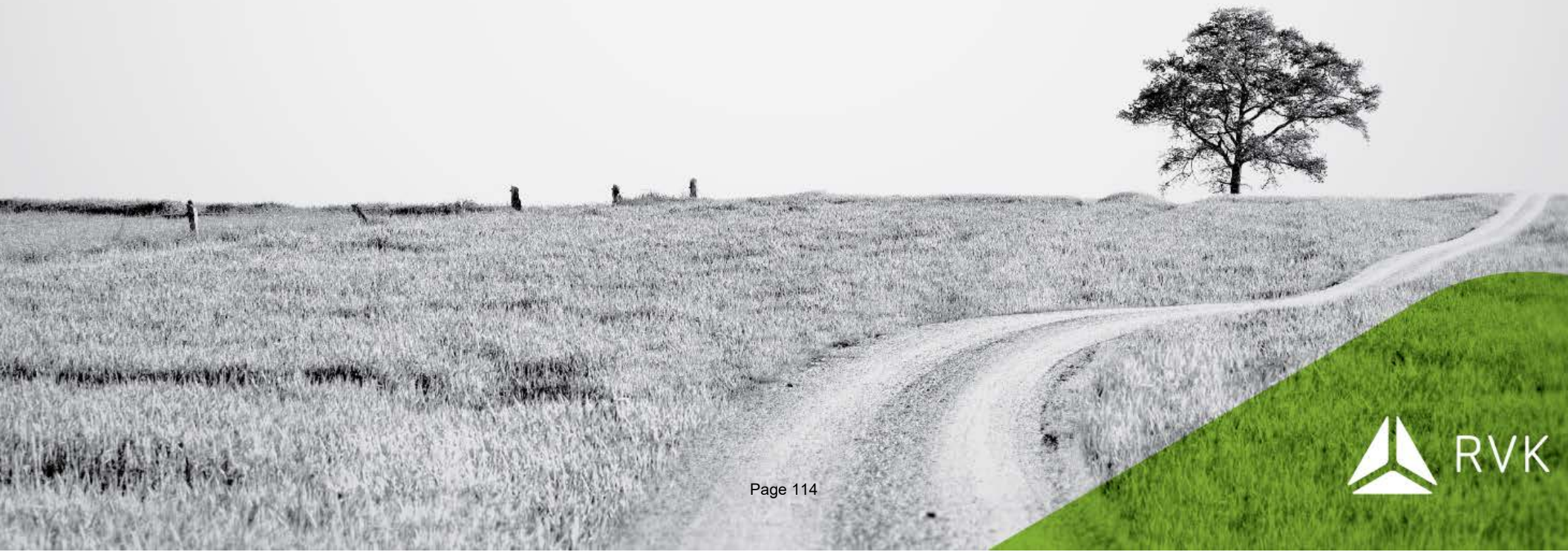
*Source: Goldman Sachs Portfolio Strategy Research, "U.S. Kickstart" - April 24, 2020.

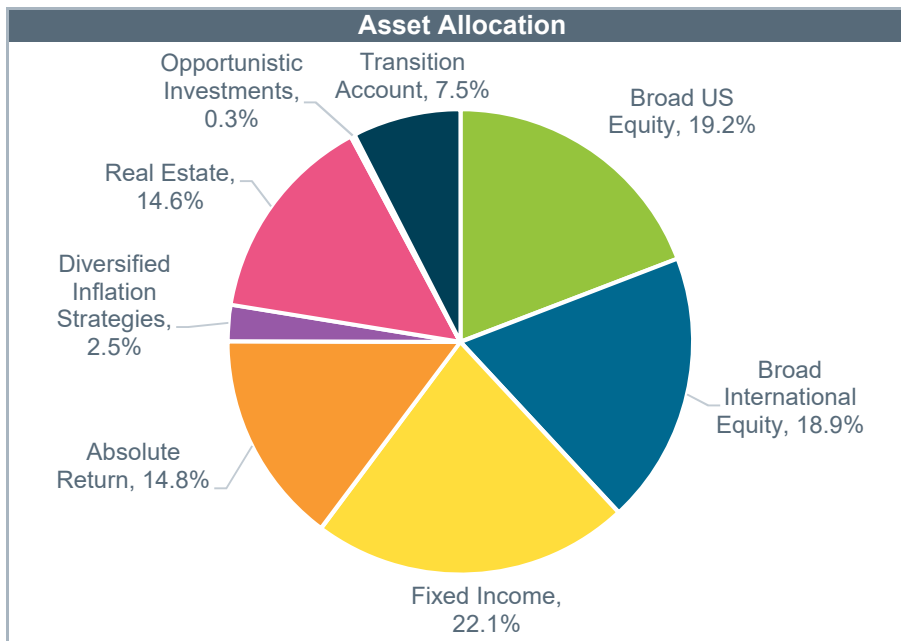
**Source: Visual History of the S&P 500 at <https://etfdb.com/history-of-the-s-and-p-500/>. The earliest data available is from Jan 1980.

Data courtesy of Bloomberg Professional Service except when noted. Cumulative returns are calculated assuming hypothetical portfolios consisting of the top 5 companies and of the remaining 495 companies; the weights for each hypothetical portfolio are adjusted based on the actual month end market cap. LHS and RHS refer to the left hand side axis and right hand side axis, respectively.



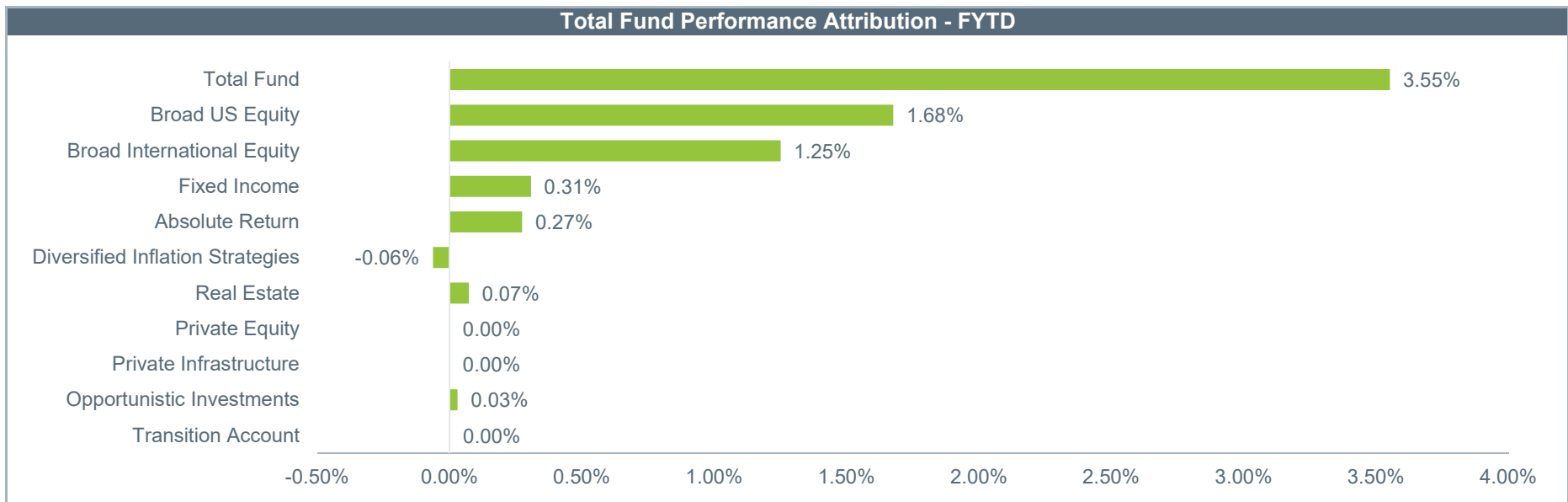
II. Total Fund





Asset Allocation vs. Target Allocation

	Asset Allocation (\$000)	Asset Allocation (%)	Target Allocation (%)
Total Fund	4,995,412	100.00	100.00
Broad US Equity	957,303	19.16	19.00
Broad International Equity	944,904	18.92	19.00
Fixed Income	1,105,716	22.13	22.00
Absolute Return	740,466	14.82	15.00
Diversified Inflation Strategies	125,974	2.52	-
Real Estate	731,764	14.65	15.00
Private Equity	-	-	5.00
Private Infrastructure	-	-	5.00
Opportunistic Investments	13,899	0.28	-
Transition Account	375,385	7.51	-



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

North Dakota Board of University and School Lands
Comparative Performance

As of September 30, 2020

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	3.55	3.55	-2.80	1.86	2.93	5.55	4.33	5.71	6.34	08/01/1995
Target Allocation Index (Net)	4.14	4.14	1.53	6.25	5.19	7.03	5.86	6.89	N/A	
Difference	-0.59	-0.59	-4.33	-4.39	-2.26	-1.48	-1.53	-1.18	N/A	
Broad US Equity	8.65	8.65	4.20	13.30	10.98	13.44	11.50	12.38	13.87	07/01/2009
Russell 3000 Index	9.21	9.21	5.41	15.00	11.65	13.69	12.11	13.48	14.47	
Difference	-0.56	-0.56	-1.21	-1.70	-0.67	-0.25	-0.61	-1.10	-0.60	
Broad International Equity	6.50	6.50	-7.14	1.40	-0.30	5.30	2.70	4.09	5.49	07/01/2009
MSCI ACW Ex US Index (USD) (Net)	6.25	6.25	-5.44	3.00	1.16	6.23	3.18	4.00	5.90	
Difference	0.25	0.25	-1.70	-1.60	-1.46	-0.93	-0.48	0.09	-0.41	
Fixed Income	1.34	1.34	3.78	4.94	3.82	3.89	3.56	3.76	5.57	08/01/1995
Global Fixed Income Custom Index	0.99	0.99	6.20	6.68	5.08	4.53	3.87	3.64	N/A	
Difference	0.35	0.35	-2.42	-1.74	-1.26	-0.64	-0.31	0.12	N/A	
Bloomberg US Agg Bond Index	0.62	0.62	6.79	6.98	5.24	4.18	3.97	3.64	5.36	
Difference	0.72	0.72	-3.01	-2.04	-1.42	-0.29	-0.41	0.12	0.21	
Absolute Return	1.84	1.84	-7.56	-3.40	0.04	3.49	N/A	N/A	1.02	07/01/2014
Absolute Return Custom Index	5.13	5.13	3.59	9.22	6.38	7.92	6.39	6.78	5.58	
Difference	-3.29	-3.29	-11.15	-12.62	-6.34	-4.43	N/A	N/A	-4.56	
Consumer Price Index+5%	2.20	2.20	5.06	6.44	6.87	6.90	6.60	6.86	6.49	
Difference	-0.36	-0.36	-12.62	-9.84	-6.83	-3.41	N/A	N/A	-5.47	
Diversified Inflation Strategies	-2.77	-2.77	-20.35	-17.57	-7.20	-2.50	N/A	N/A	-3.53	04/01/2014
DIS Custom Index	-9.66	-9.66	-22.84	-21.06	-7.38	-1.78	-2.63	0.32	-3.08	
Difference	6.89	6.89	2.49	3.49	0.18	-0.72	N/A	N/A	-0.45	
Real Estate	0.52	0.52	-0.94	0.35	4.93	6.54	N/A	N/A	6.91	07/01/2015
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	6.09	
Difference	0.25	0.25	-0.19	-0.17	0.68	0.85	N/A	N/A	0.82	
Opportunistic Investments	11.82	11.82	N/A	N/A	N/A	N/A	N/A	N/A	11.82	07/01/2020

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

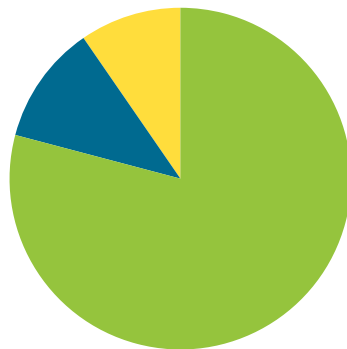
Performance shown is net of fees. Composite inception dates are based on availability of data for each asset class. Please see the Addendum for custom index definitions. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Fiscal year ends 06/30.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Broad US Equity	8.65	8.65	4.20	13.30	10.98	13.44	11.50	12.38	13.87	07/01/2009
Russell 3000 Index	9.21	9.21	5.41	15.00	11.65	13.69	12.11	13.48	14.47	
Difference	-0.56	-0.56	-1.21	-1.70	-0.67	-0.25	-0.61	-1.10	-0.60	
State Street Russell 1000 Index SL (CF)	9.43	9.43	6.34	15.95	12.35	N/A	N/A	N/A	12.75	06/01/2017
Russell 1000 Index	9.47	9.47	6.40	16.01	12.38	14.09	12.54	13.76	12.78	
Difference	-0.04	-0.04	-0.06	-0.06	-0.03	N/A	N/A	N/A	-0.03	
State Street Russell Mid Cap Index (SA)	7.44	7.44	-2.35	4.52	7.11	N/A	N/A	N/A	7.80	06/01/2017
Russell Mid Cap Index	7.46	7.46	-2.35	4.55	7.13	10.13	9.37	11.76	7.81	
Difference	-0.02	-0.02	0.00	-0.03	-0.02	N/A	N/A	N/A	-0.01	
NT Small Cap Core (CF)	4.61	4.61	-4.51	3.23	5.00	10.18	7.31	10.24	6.19	07/01/2014
Russell 2000 Index	4.93	4.93	-8.69	0.39	1.77	8.00	6.42	9.85	5.27	
Difference	-0.32	-0.32	4.18	2.84	3.23	2.18	0.89	0.39	0.92	

Asset Allocation by Manager

\$957,303,444



	Market Value (\$)	Allocation (%)
State Street Russell 1000 Index SL (CF)	757,391,430	79.12
NT Small Cap Core (CF)	107,907,951	11.27
State Street Russell Mid Cap Index (SA)	92,004,063	9.61

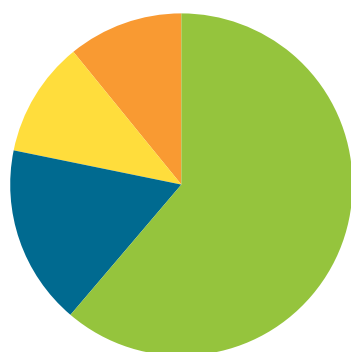
Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Broad International Equity	6.50	6.50	-7.14	1.40	-0.30	5.30	2.70	4.09	5.49	07/01/2009
MSCI ACW Ex US Index (USD) (Net)	6.25	6.25	-5.44	3.00	1.16	6.23	3.18	4.00	5.90	
Difference	0.25	0.25	-1.70	-1.60	-1.46	-0.93	-0.48	0.09	-0.41	
State Street World Ex US Index (CF)	4.90	4.90	-7.18	0.10	0.53	5.24	N/A	N/A	1.43	07/01/2014
MSCI Wrld Ex US Index (USD) (Net)	4.92	4.92	-7.13	0.16	0.62	5.32	2.90	4.37	1.50	
Difference	-0.02	-0.02	-0.05	-0.06	-0.09	-0.08	N/A	N/A	-0.07	
QMA International Small Cap Equity (CF)	9.14	9.14	-6.80	4.19	N/A	N/A	N/A	N/A	-7.03	02/01/2018
MSCI EAFE Sm Cap Index (USD) (Net)	10.25	10.25	-4.20	6.84	1.40	7.37	5.70	7.33	-2.48	
Difference	-1.11	-1.11	-2.60	-2.65	N/A	N/A	N/A	N/A	-4.55	
DFA Emg Mkts Core Eq;l (DFCEX)	8.47	8.47	-6.09	3.82	-0.18	7.17	N/A	N/A	1.73	07/01/2014
MSCI Emg Mkts Index (USD) (Net)	9.56	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	2.92	
Difference	-1.09	-1.09	-4.93	-6.72	-2.60	-1.80	N/A	N/A	-1.19	
Harding Loevner:IEM;IZ (HLEZX)	9.26	9.26	-7.04	4.34	0.33	8.17	N/A	N/A	2.50	07/01/2014
MSCI Emg Mkts Index (USD) (Net)	9.56	9.56	-1.16	10.54	2.42	8.97	3.74	2.51	2.92	
Difference	-0.30	-0.30	-5.88	-6.20	-2.09	-0.80	N/A	N/A	-0.42	

Asset Allocation by Manager

\$944,904,312



	Market Value (\$)	Allocation (%)
State Street World Ex US Index (CF)	578,525,356	61.2
QMA International Small Cap Equity (CF)	160,366,793	17.0
DFA Emg Mkts Core Eq;l (DFCEX)	103,313,016	10.9
Harding Loevner:IEM;IZ (HLEZX)	102,699,147	10.9

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

Comparative Performance										
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income	1.34	1.34	3.78	4.94	3.82	3.89	3.56	3.76	5.57	08/01/1995
Global Fixed Income Custom Index	0.99	0.99	6.20	6.68	5.08	4.53	3.87	3.64	N/A	
Difference	0.35	0.35	-2.42	-1.74	-1.26	-0.64	-0.31	0.12	N/A	
Bloomberg US Agg Bond Index	0.62	0.62	6.79	6.98	5.24	4.18	3.97	3.64	5.36	
Difference	0.72	0.72	-3.01	-2.04	-1.42	-0.29	-0.41	0.12	0.21	
Payden & Rygel Long Term (SA)	1.16	1.16	5.93	6.22	5.42	4.75	4.43	4.26	5.93	08/01/1995
Bloomberg US Agg Bond Index	0.62	0.62	6.79	6.98	5.24	4.18	3.97	3.64	5.36	
Difference	0.54	0.54	-0.86	-0.76	0.18	0.57	0.46	0.62	0.57	
JP Morgan FI Intermediate Bond (SA)	0.84	0.84	5.76	5.98	4.48	3.47	3.32	N/A	2.83	08/01/2012
Bloomberg US Gov't Crdt Int Trm Bond Index	0.61	0.61	5.92	6.32	4.43	3.39	3.12	2.91	2.66	
Difference	0.23	0.23	-0.16	-0.34	0.05	0.08	0.20	N/A	0.17	
Brandywine Gbl Opp FI (CF)	3.46	3.46	1.08	5.26	1.41	4.37	N/A	N/A	2.07	11/01/2014
FTSE Wrld Gov't Bond Index	2.94	2.94	7.14	6.77	4.37	3.95	2.22	1.86	2.69	
Difference	0.52	0.52	-6.06	-1.51	-2.96	0.42	N/A	N/A	-0.62	
AG Direct Lending III LP	0.00	0.00	0.82	3.19	N/A	N/A	N/A	N/A	6.28	09/01/2018
CS Lvg'd Loan Index	0.00	0.00	-4.76	-3.16	1.78	3.19	3.07	4.02	0.26	
Difference	0.00	0.00	5.58	6.35	N/A	N/A	N/A	N/A	6.02	
Schroders Securitized Credit (SA)	1.74	1.74	-0.15	0.29	N/A	N/A	N/A	N/A	1.89	12/01/2018
3 Month LIBOR Index (USD)+1.75%	0.52	0.52	2.35	3.35	3.78	3.28	2.91	2.67	3.89	
Difference	1.22	1.22	-2.50	-3.06	N/A	N/A	N/A	N/A	-2.00	
ND Land - PTF Cash (SA)	0.02	0.02	0.38	0.81	1.61	N/A	N/A	N/A	1.61	07/01/2017
ICE BofAML 3 Mo US T-Bill Index	0.04	0.04	0.64	1.10	1.69	1.20	0.86	0.64	1.64	
Difference	-0.02	-0.02	-0.26	-0.29	-0.08	N/A	N/A	N/A	-0.03	
FLP (Loans)	1.25	1.25	3.12	4.33	5.25	5.58	5.71	5.77	7.06	08/01/1995
ECLP (Loans)	1.14	1.14	3.49	4.64	4.57	4.60	4.74	N/A	5.00	11/01/2010

Performance shown is net of fees. Performance for AG Direct Lending Fund III LP is available quarterly. Interim period performance assumes a 0.00% return. Q3 performance is not yet available for AG Direct Lending III LP. The Global Fixed Income Custom Index currently consists of the Bloomberg US Unv Bond Index. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Fiscal year ends 06/30.

Asset Allocation by Manager

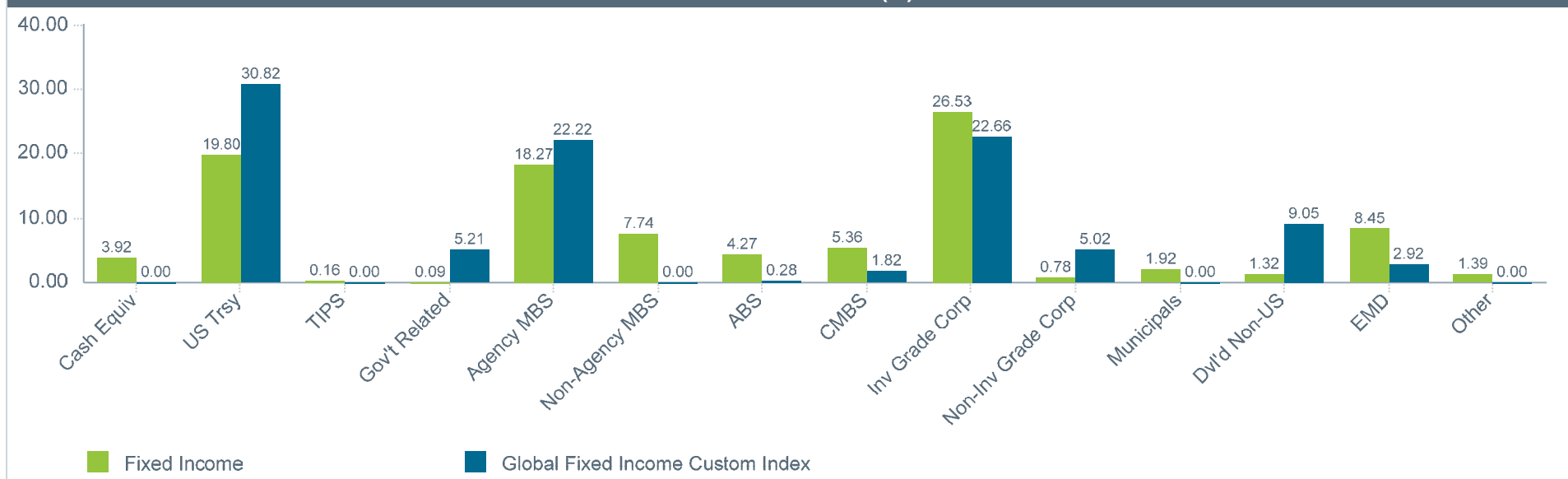


RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Market value for AG Direct Lending III LP is as of 06/30/2020, adjusted for subsequent cash flows.

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	4.51	5.97
Avg. Maturity	7.58	8.12
Avg. Quality	A1	N/A
Coupon Rate (%)	3.41	3.23
Yield To Worst (%)	1.98	1.65
Current Yield (%)	3.20	0.17

Sector Distribution (%)



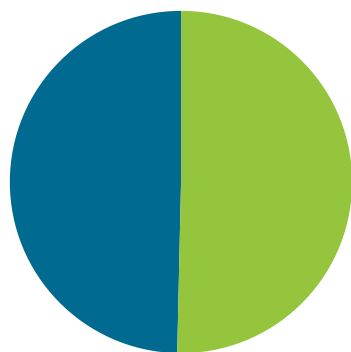
FLP & ECLP Bank Loans, AG Direct Lending Fund III LP and ND Land - PTF Cash (SA) are excluded from portfolio characteristics and sector distribution. Allocation to "Other" consists of CLOs and Derivatives P&L.

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Absolute Return	1.84	1.84	-7.56	-3.40	0.04	3.49	N/A	N/A	1.02	07/01/2014
Absolute Return Custom Index	5.13	5.13	3.59	9.22	6.38	7.92	6.39	6.78	5.58	
Difference	-3.29	-3.29	-11.15	-12.62	-6.34	-4.43	N/A	N/A	-4.56	
GMO:Bchmk-Fr All;IV (GBMBX)	2.30	2.30	-7.35	-2.34	0.22	3.07	N/A	N/A	0.96	07/01/2014
60% MSCI ACW (Net)/40% Bbrg Gbl Agg Idx	5.97	5.97	3.56	9.26	6.22	7.96	5.88	6.24	4.97	
Difference	-3.67	-3.67	-10.91	-11.60	-6.00	-4.89	N/A	N/A	-4.01	
Consumer Price Index+5%	2.20	2.20	5.06	6.44	6.87	6.90	6.60	6.86	6.49	
Difference	0.10	0.10	-12.41	-8.78	-6.65	-3.83	N/A	N/A	-5.53	
PIMCO:All Ast Ath;Inst (PAUIX)	1.38	1.38	-7.52	-4.21	-1.57	3.26	N/A	N/A	-0.56	07/01/2014
All Asset Custom Index (EqI Wtd)	3.68	3.68	4.30	7.52	5.76	6.31	5.06	5.41	4.56	
Difference	-2.30	-2.30	-11.82	-11.73	-7.33	-3.05	N/A	N/A	-5.12	
Consumer Price Index+5%	2.20	2.20	5.06	6.44	6.87	6.90	6.60	6.86	6.49	
Difference	-0.82	-0.82	-12.58	-10.65	-8.44	-3.64	N/A	N/A	-7.05	

Asset Allocation by Manager

\$740,465,957

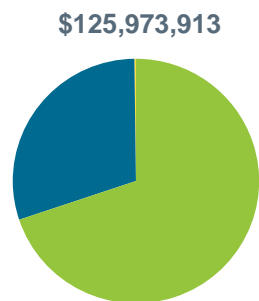


	Market Value (\$)	Allocation (%)
PIMCO:All Ast Ath;Inst (PAUIX)	372,843,125	50.35
GMO:Bchmk-Fr All;IV (GBMBX)	367,622,832	49.65

Comparative Performance

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversified Inflation Strategies	-2.77	-2.77	-20.35	-17.57	-7.20	-2.50	N/A	N/A	-3.53	04/01/2014
DIS Custom Index	-9.66	-9.66	-22.84	-21.06	-7.38	-1.78	-2.63	0.32	-3.08	
Difference	6.89	6.89	2.49	3.49	0.18	-0.72	N/A	N/A	-0.45	
Harvest MLP (SA)	-9.69	-9.69	-38.97	-39.64	-16.05	-8.30	N/A	N/A	-12.41	07/01/2015
S&P MLP Index (TR)	-14.31	-14.31	-44.87	-46.57	-18.92	-10.50	-10.61	-3.10	-14.66	
Difference	4.62	4.62	5.90	6.93	2.87	2.20	N/A	N/A	2.25	
Van Eck NR Equities (SA)	20.17	20.17	-0.99	7.84	-4.44	1.39	N/A	N/A	-4.61	07/01/2015
S&P Gbl Ntrl Res Sect Index (TR)	2.13	2.13	-17.42	-9.53	-2.78	6.67	-0.21	0.16	1.30	
Difference	18.04	18.04	16.43	17.37	-1.66	-5.28	N/A	N/A	-5.91	
S&P N Amer Ntrl Res Index	-7.56	-7.56	-31.90	-26.81	-12.51	-3.83	-6.98	-2.63	-7.56	
Difference	27.73	27.73	30.91	34.65	8.07	5.22	N/A	N/A	2.95	

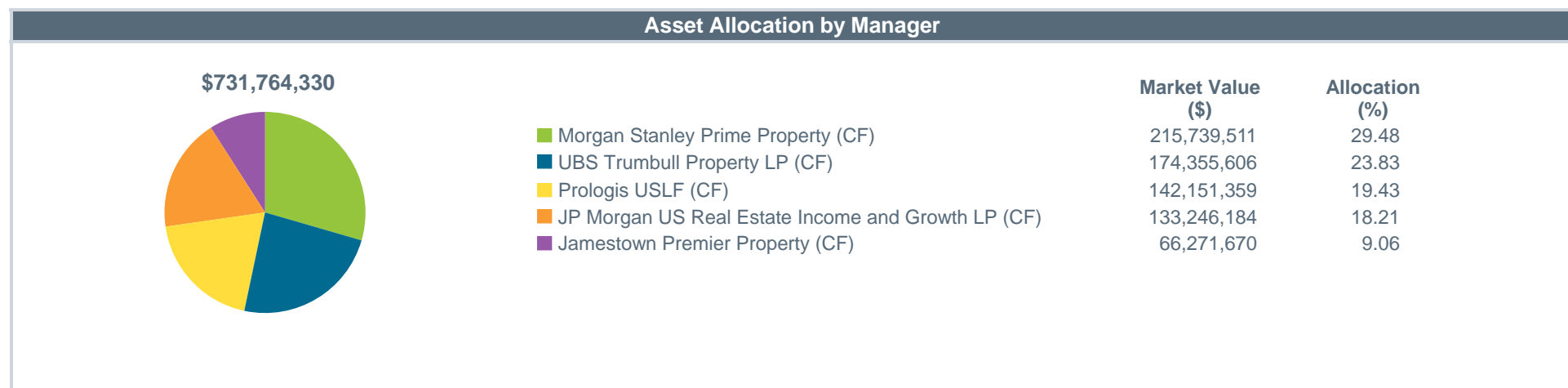
Asset Allocation by Manager



	Market Value (\$)	Allocation (%)
Harvest MLP (SA)	88,008,267	69.86
Van Eck NR Equities (SA)	37,714,422	29.94
Gresham Commodities (SA)	251,224	0.20

Performance shown is net of fees. Please see addendum for the DIS Custom Index definition. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. During 07/2020, Gresham Commodities (SA) was liquidated, market value shown represents residual assets not yet liquidated.

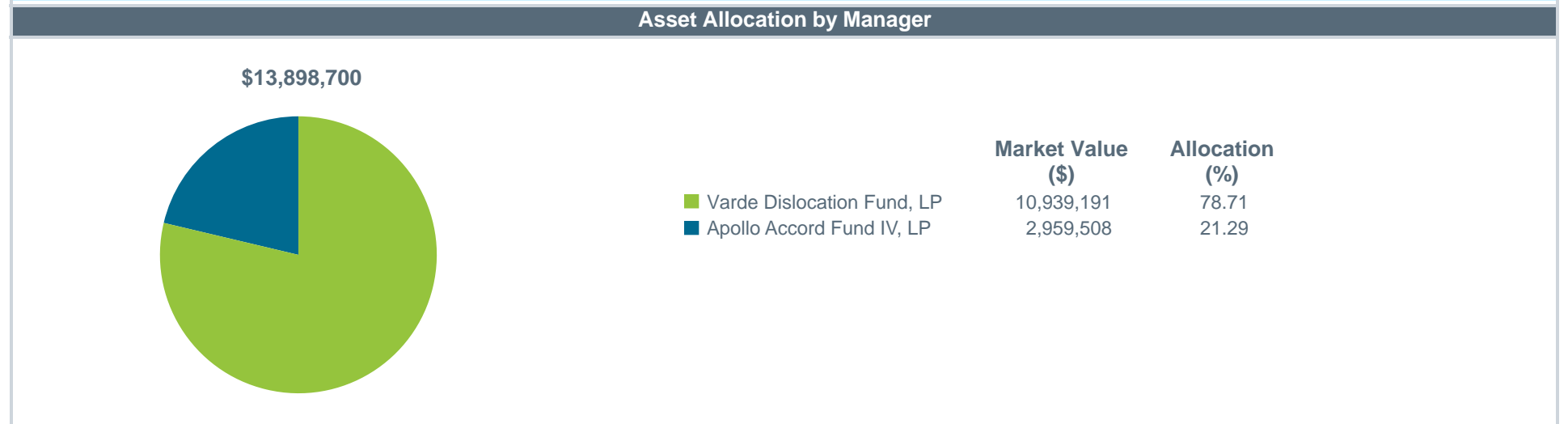
Comparative Performance										
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Real Estate	0.52	0.52	-0.94	0.35	4.93	6.54	N/A	N/A	6.91	07/01/2015
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	6.09	
Difference	0.25	0.25	-0.19	-0.17	0.68	0.85	N/A	N/A	0.82	
Morgan Stanley Prime Property (CF)	1.06	1.06	-0.21	1.31	5.30	6.97	N/A	N/A	7.35	07/01/2015
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	6.09	
Difference	0.79	0.79	0.54	0.79	1.05	1.28	N/A	N/A	1.26	
UBS Trumbull Property LP (CF)	-0.33	-0.33	-2.68	-2.82	0.84	2.91	N/A	N/A	3.38	07/01/2015
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	6.09	
Difference	-0.60	-0.60	-1.93	-3.34	-3.41	-2.78	N/A	N/A	-2.71	
Jamestown Premier Property (CF)	-3.54	-3.54	-8.24	-8.31	3.11	4.84	N/A	N/A	5.15	07/01/2015
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	6.09	
Difference	-3.81	-3.81	-7.49	-8.83	-1.14	-0.85	N/A	N/A	-0.94	
Prologis USLF (CF)	3.27	3.27	3.78	8.21	13.80	N/A	N/A	N/A	15.27	04/01/2016
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	5.17	
Difference	3.00	3.00	4.53	7.69	9.55	N/A	N/A	N/A	10.10	
JP Morgan US Real Estate Income and Growth LP (CF)	-0.01	-0.01	-0.69	0.02	2.77	N/A	N/A	N/A	4.29	07/01/2016
NCREIF ODCE Index (AWA) (Net)	0.27	0.27	-0.75	0.52	4.25	5.69	7.62	9.26	5.01	
Difference	-0.28	-0.28	0.06	-0.50	-1.48	N/A	N/A	N/A	-0.72	



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



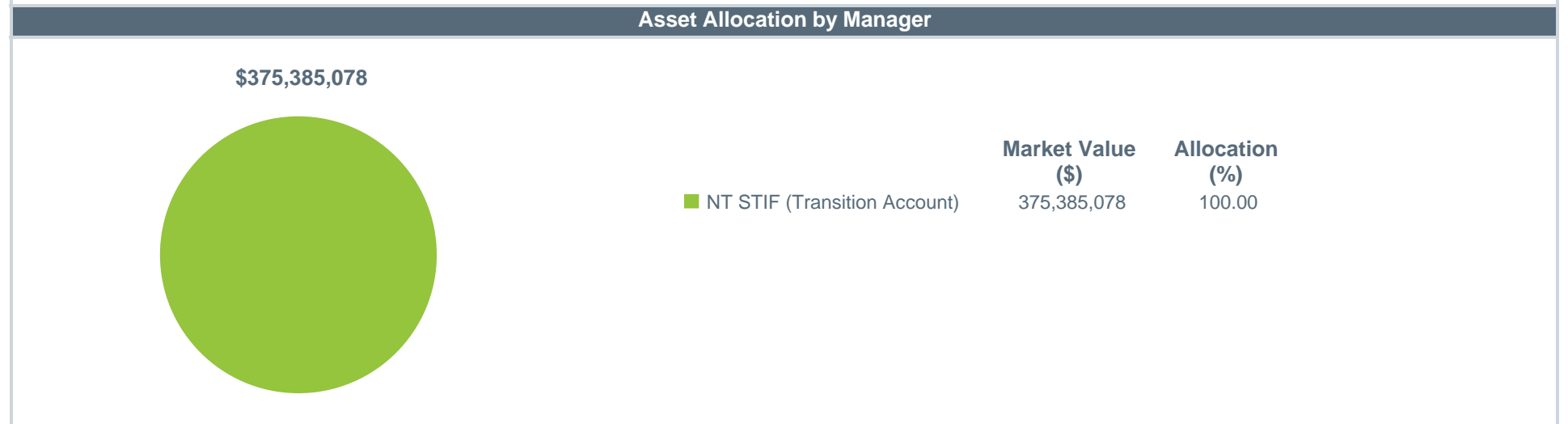
Comparative Performance										
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Opportunistic Investments	11.82	11.82	N/A	N/A	N/A	N/A	N/A	N/A	11.82	07/01/2020
Varde Dislocation Fund, LP	9.39	9.39	N/A	N/A	N/A	N/A	N/A	N/A	9.39	07/01/2020
Apollo Accord Fund IV, LP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10/01/2020



Performance shown is net of fees. RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. During 07/2020, Varde Dislocation Fund, LP was funded. During 09/2020, Apollo Accord Fund IV, LP was funded.



Comparative Performance										
	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
NT STIF (Transition Account)	0.09	0.09	N/A	N/A	N/A	N/A	N/A	N/A	0.12	06/01/2020
ICE BofAML 3 Mo US T-Bill Index	0.04	0.04	0.64	1.10	1.69	1.20	0.86	0.64	0.05	
Difference	0.05	0.05	N/A	N/A	N/A	N/A	N/A	N/A	0.07	



III. Addendum



Performance Related Comments

- Manager inception dates shown represent the first full month following initial funding.
- RVK began monitoring the assets of North Dakota Board of University and School Lands in Q3 2014. Prior historical data was provided by North Dakota Board of University and School Lands.
- Real Estate composite, manager, and index performance are available on a quarterly basis. Market values are as of the most recent quarter-end and adjusted for subsequent cash flows. Interim period performance assumes a 0.00% return.
- Indices show N/A for since inception returns when the fund contains more history than the corresponding benchmark.
- As of 07/2014, composite and manager performance is provided and calculated by RVK.
- Net performance for FLP & ECLP bank loans represent Fees Payable.
- Market value and performance for AG Direct Lending III LP is as of 06/30/2020, adjusted for subsequent cash flows.
- During 07/2020, Varde Dislocation Fund, LP was funded.
- During 09/2020, Apollo Accord Fund IV, LP was funded.

Index Comments

- The Target Allocation Index (Net) is a static custom index that is calculated monthly and consists of:
 - From 05/2020 through present: 19% Russell 3000 Index, 19% MSCI ACW Ex US Index (USD) (Net), 22% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 15% Absolute Return Index, 5% Cambridge US Private Equity Index, and 5% MSCI World Infrastructure Index.
 - From 07/2019 through 04/2020: 18.5% Russell 3000 Index, 18.5% MSCI ACW Ex US Index (USD) (Net), 23% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 15% Absolute Return Custom Index, and 10% DIS Custom Index.
 - From 02/2018 through 06/2019: 17% Russell 3000 Index, 17% MSCI ACW Ex US Index (USD) (Net), 21% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 20% Absolute Return Custom Index, and 10% DIS Custom Index.
 - From 07/2016 through 01/2018: 17% Russell 3000 Index, 15% MSCI ACW Ex US Index (USD) (Net), 23% Global Fixed Income Custom Index, 15% NCREIF ODCE Index (AWA) (Net), 20% Absolute Return Custom Index, and 10% DIS Custom Index.
 - From 04/2016 through 06/2016: 17.6% Russell 3000 Index, 15.5% MSCI ACW Ex US Index (USD) (Net), 23.8% Global Fixed Income Custom Index, 12% NCREIF ODCE Index (AWA) (Net), 20.7% Absolute Return Custom Index, and 10.4% DIS Custom Index.
 - From 01/2016 through 03/2016: 17.7% Russell 3000 Index, 15.6% MSCI ACW Ex US Index (USD) (Net), 25.3% Global Fixed Income Custom Index, 10% NCREIF ODCE Index (AWA) (Net), 21% Absolute Return Custom Index, and 10.4% DIS Custom Index.
 - From 10/2015 through 12/2015: 17.9% Russell 3000 Index, 15.9% MSCI ACW Ex US Index (USD) (Net), 25.5% Global Fixed Income Custom Index, 9% NCREIF ODCE Index (AWA) (Net), 21.1% Absolute Return Custom Index, and 10.6% DIS Custom Index.
 - From 07/2015 through 09/2015: 19.5% Russell 3000 Index, 17.4% MSCI ACW Ex US Index (USD) (Net), 26.2% Global Fixed Income Custom Index, 4.1% NCREIF ODCE Index (AWA) (Net), 22% Absolute Return Custom Index, and 10.8% DIS Custom Index.
 - From 07/2014 through 06/2015: The index was calculated monthly using beginning of month asset class weights applied to each corresponding primary benchmark return.
 - From 01/2013 through 06/2014: 18.7% Russell 1000 Index, 12.4% Russell 2500 Index, 7.5% FTSE EPRA/NAREIT US Index, 12.4% MSCI EAFE Index (USD) (Net), 33.3% Bloomberg US Agg Bond Index, 0.70% CS Lvg'd Loan Index, 10% Bloomberg US Corp Hi Yld Index, and 5% Bloomberg Gbl Agg Ex USD Index (Hedged).
 - From 07/2009 through 12/2012: 15% Russell 1000 Index, 10% Russell 2500 Index, 6% FTSE EPRA/NAREIT US Index, 10% MSCI EAFE Index (USD) (Net), 32.3% Bloomberg US Agg Bond Index, 1.70% CS Lvg'd Loan Index, 10% Bloomberg US Corp Hi Yld Index, 5% Bloomberg Gbl Agg Ex USD Index (Hedged), and 10% ICE BofAML Cnvrtd Bonds Index (All Qual).
- The Global Fixed Income Custom Index consists of the Bloomberg US Unv Bond Index. Prior to 03/2019, the index consisted of 75% Bloomberg US Unv Bond Index and 25% Bloomberg Multiverse Index.
- The Absolute Return Custom Index consists of 60% MSCI ACW IM Index (USD) (Net) and 40% Bloomberg US Agg Bond Index.
- The DIS Custom Index consists of 50% Bloomberg US Trsy US TIPS Index and 50% FTSE EPRA/NAREIT Dvl'd Index (Gross) through 06/2015, and 20% Bloomberg US Trsy US TIPS Index, 30% Bloomberg Cmtdy Ex Energy Index (TR), 30% S&P MLP Index (TR), and 20% S&P Gbl Natural Res Sect Index (TR) through 04/2020. Starting in 05/2020, the DIS Custom Index return is calculated using benchmark returns of the underlying DIS managers, given their respective weights, adjusted on days of major liquidating cash flows.

Addendum

Cont.

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

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

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

PORTLAND

BOISE

CHICAGO

NEW YORK

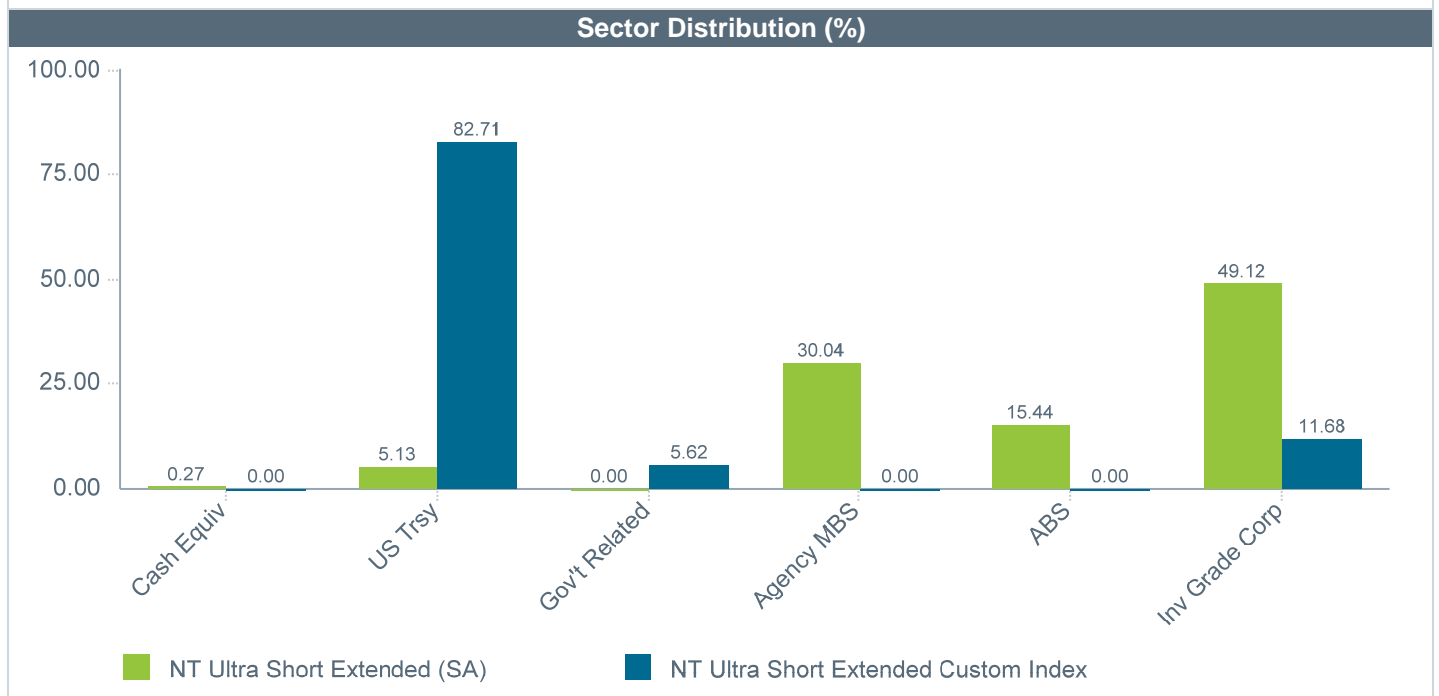
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Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
MTD	360,884,649	-949,209	54,404	359,989,845	0.02

Asset Allocation & Performance								
	Market Value (\$)	Performance (%)						
		MTD	QTD	FYTD	CYTD	1 Year	Since Incep.	Inception Date
NT Ultra Short Extended (SA)	359,989,845	0.02	0.32	0.32	1.49	2.07	2.01	08/01/2015
NT Ultra Short Extended Custom Index		0.01	0.14	0.14	1.87	2.41	1.62	
Difference		0.01	0.18	0.18	-0.38	-0.34	0.39	

Fund Objective
 The objective of this fund is to provide capital preservation with returns which exceed that of its custom benchmark, 50% Bloomberg US Gov't Crdt 1-3 Yr Bond Index and 50% ICE BofAML 3 Mo US T-Bill Index.

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	1.01	1.08
Modified Duration	1.18	1.03
Spread Duration	1.25	1.08
Convexity	0.05	N/A
Avg. Maturity	1.04	1.12
Avg. Quality	Aa1	Aa1
Yield To Maturity (%)	0.40	0.21
Coupon Rate (%)	1.73	N/A
Current Yield (%)	1.69	N/A
Holdings Count	115	1,628



Performance shown is net of fees. Net cash flow includes securities lending income and client directed flows. Gain/loss includes dividend and interest income and capital appreciation. Allocations shown may not sum up to 100% exactly due to rounding. The NT Ultra Short Extended Custom Index is calculated monthly and currently consists of 50% Bloomberg US Gov't Crdt 1-3 Yr Bond Index and 50% ICE BofAML 3 Mo US T-Bill Index. Fiscal year end 06/30.



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

**RE: Commissioner Annual Review
(No Action Requested)**

As Commissioner and Secretary for the Board of University and School Lands (Board), I am fully committed to the Board and the Department of Trust Lands (Department) vision to be known nationally for superior management of its assets and programs. This will be met through the following shared values:

Communication: We develop and maintain positive relationships, facilitating the open exchange of ideas, opinions and information.

Leadership & Teamwork: We encourage and motivate each other to accomplish goals through collaboration and cooperation across the Department.

Customer Service: We listen and respond effectively to our customers to provide professional and efficient service.

Transparency: We strive to be open, honest, upfront and visible in our actions.

Trust: We foster a high-trust culture that supports a rewarding, healthy, and meaningful work environment for employees.

As Commissioner, over the course of the past three years, there has been significant progress made at the Department. Just 10 days after my term began an employee survey was sent to all Department team members. This employee survey highlighted significant discord within the Department that was presented to the Board in March 2018 with a plan to address the issues. In May 2018, the Board was presented with the Commissioner's annual review which highlighted the course and goals for the upcoming six-months:

Over the course of the next six months, my focus will be to reevaluate the organizational structure and outline strengths and weaknesses of the current organizational structure including the origin of current strengths or weaknesses that could influence capacity to achieve future innovation.

Additionally, the Board was presented with a Strategic Plan with five goals:

- 1) Customer Service
- 2) Mission Integration
- 3) Land & Mineral Management
- 4) Unclaimed Property
- 5) Investments

In December 2018, the Board was presented with the results of the 2018 Employee Survey which demonstrated a significant improvement over the 2017 Employee Survey results and highlighted the Commissioner's and Department Leadership's focus on: (1) Technology, Tools & Workflow; (2) Teamwork, and; (3) Leadership.

In June 2019, the Board was presented with the Commissioner's annual review highlighting the Department's success in implementing Department policies, reviewing and updating all Board policies, implementation of Administrative Rules, implementation of IT systems for Unclaimed Property and the procurement of additional systems, and improved departmental culture. I also made a commitment to the Board to continue to discover creative solutions, evaluate possibilities and provide a deep mindshare on collaborated and collegial decisions.

The 2019, a strategic plan was developed to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals,

establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. With our focus on the future, this strategic plan has been a disciplined and a collaborate effort. It resulted in fundamental decisions and actions that have shaped and guided the Department in who it serves, what it does, and why it does it. The Department has worked to align ongoing activities and processes to systematically coordinate and align resources and actions with the mission, vision and strategy throughout the Department. These activities and processes have transformed the static plan. It is now a system that provides strategic performance feedback to decision making and enables the plan to evolve and grow as requirements and other circumstances change. This is illustrated in the attached document which outlines a multi-phase approach to implementing the Department's strategic plan.

In June 2020, the Board was presented with the Commissioner's annual review illustrating the multi-stage approach to implementing the Department's multi-year strategic plan (Attachment 1):

Phase 1: Envision- Set the foundations of the Department to build upon and generate initial cost savings.

Phase 2: Foundation - Improve level of maturity and reach next level of efficiency and cost-savings.

Phase 3: Advance - Improve the level of maturity and address most complex components of the transformation.

Phase 4: Transform - Wrap up transformation and fine-tune last details.

As the Commissioner, I am taking a direct role in working with the divisions within the Department to capitalize on our capabilities and resources; thus, improving the effectiveness of the Department. Specifically, I am committed to cultivating and analyzing talent management leadership within the Department. While continuing to deliver our core services, the Department has made significant progress in fulfilling a wide range of responsibilities.

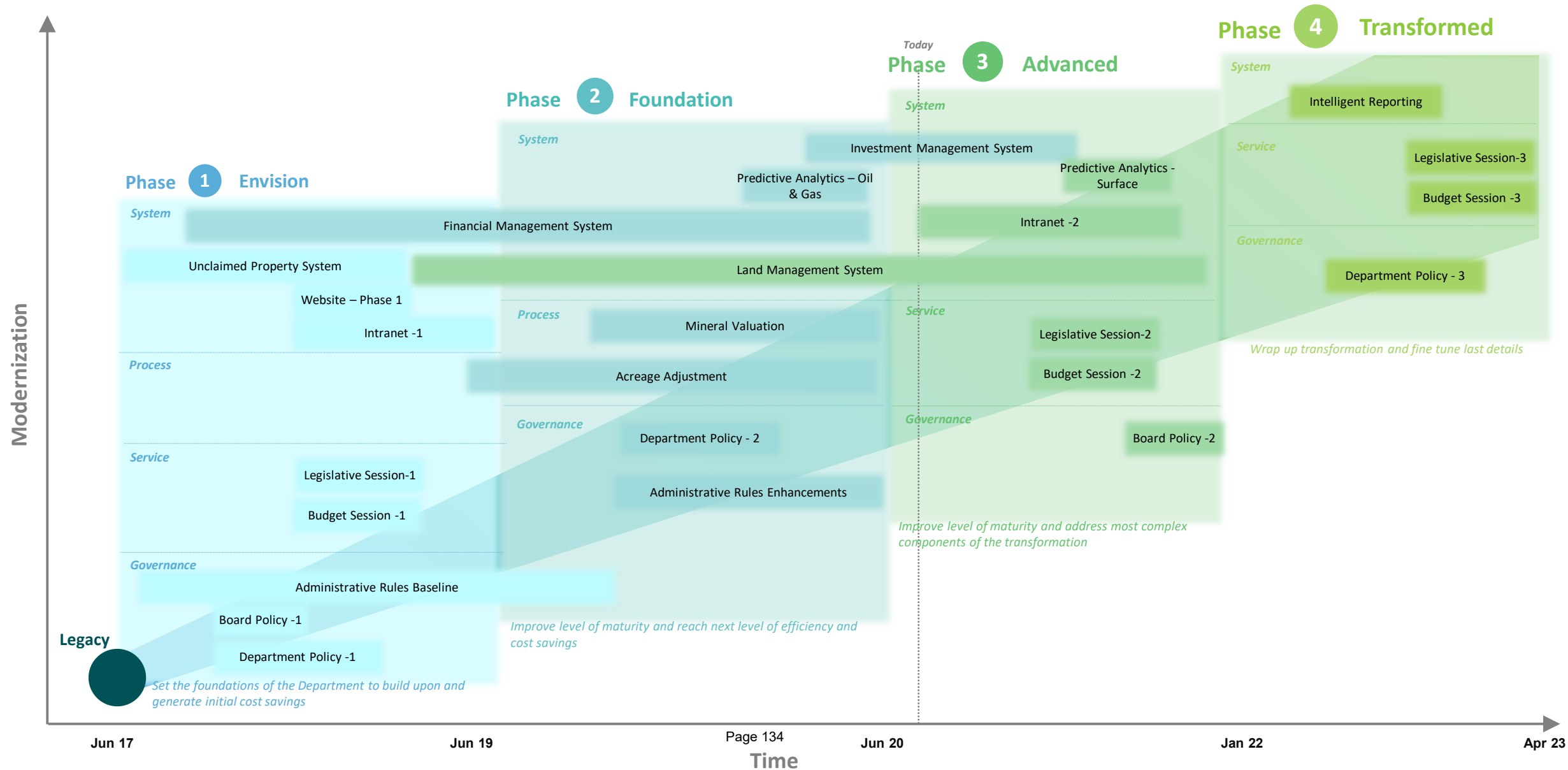
In August 2020, the Department's Strategic Plan for the 2021-23 biennium (Attachment 2) was presented to the Governor's Office, OMB, and Legislative Council during a budget planning session. This plan was developed by the Department's leadership team through an intensive two-day planning session lead by a facilitator. The resulting document will lead the Department's efforts for the next two years.

In the upcoming year, there will be a heightened focus on implementation of new information technology systems for the Accounting, Investments and Revenue Compliance Divisions. This will include the capability to accept online payments. These changes will require strong leadership to implement the necessary systematic changes to ensure efficiencies are created and the systems are built upon the future and not legacy systems of the past. Over the course of the next year, I will continue to focus on goal achievement while maintaining a consistent high standard in quality of work completed. As the agency pacesetter, I will continually strive to discover creative solutions, evaluate possibilities and provide deep mindshare on decisions made. It is important that I continue to cultivate the resources and tools the team requires to assist them in prioritizing tasks, making decisions, and practicing good quality control.

I want to thank the Department staff for their generous support, willingness to collaborate, and flexibility in promoting value and growth within the Department. Their skills and dedication are recognized as fundamental to all successes.

Phased approach to the future

Pillars of excellence on the beam of modernization





MISSION & VISION

Mission

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

Vision

The Department of Trust Lands is known nationally for superior management of its assets and programs.



VALUES

Communication

We develop and maintain positive relationships, facilitating the open exchange of ideas, opinions, and information

Leadership & Teamwork

We encourage and motivate each other to accomplish goals through collaboration and cooperation across the Department.

Customer Service

We listen and respond effectively to our customers to provide professional and efficient services.

Transparency

We strive to be open, honest, upfront and visible in our actions.

Trust

We foster a high-trust culture that supports a rewarding, healthy, and meaningful work environment for employees.

GOAL: CUSTOMER SERVICE



TO IMPROVE AND ENHANCE THE EDUCATION AND SUCCESS OF OUR COMMUNITIES, OUR STATE, THE NATION AND THE WORLD BY DEVELOPING MORE EFFECTIVE, SUSTAINABLE AND EQUITABLE RELATIONSHIPS WITH OUR CONSTITUENTS.

Digital Transformation

- Acceptance of credit card payments
- Automated online forms
- New Land Management and Financial Accounting Systems
- Online royalty payment portal

Outreach to Increase Access

- Kiosks for Unclaimed Property claims
- Educating constituents on auditing process
- Partnerships with education systems

Effective Stakeholder Relationships

- Improved relationships with key state and federal agencies
- Energy sector partners
- Agricultural partners

Optimal Staffing

- Increased staffing levels
- Professional development for staff

GOAL : MISSION INTEGRATION



TO FOCUS ON THE IMPACTS TO OUR COMMUNITIES THROUGH THE ENGAGEMENT OF STRATEGIC AND COORDINATED ACTIVITIES THAT ALIGNS THE AGENCY MISSION AND THE NEEDS OF OUR CONSTITUENTS.

Digital Transformation

- New Land Management and Financial Accounting Systems

Eliminate 60% requirement in EIO statute

Outreach to Increase Access

- Promote distributions and impact on education
- Promote the utilization of school trust land for educational purposes

Effective Stakeholder Relationships

- Improved relationships with key state and federal agencies, energy sector partners, agricultural partners

GOAL : ENHANCE MANAGEMENT OF ASSETS



TO ADVOCATE FOR AND SUPPORT SUSTAINABLE ASSET MANAGEMENT STRATEGIES THAT MAXIMIZE REVENUE FOR PERPETUAL, INTER-GENERATIONAL DISBURSEMENTS.

Digital Transformation

- Acceptance of credit card payments
- Automated online forms
- New Land Management and Financial Accounting Systems and Investments
- Additional drones for field inspectors
- Online royalty portal system

Enhanced Field Inspections

- Additional drones
- Stronger reclamation program
- Onsite audit of well site

Strengthening Database Performance

- Elimination of antiquated servers
- Shared drive clean-up
- Creation of wind lease database
- Creation of coal database
- Strengthened review of division orders

Real Estate Development

- Development of east Bismarck tract
- Review and development of under utilized tracts

Effective Stakeholder Relationships

- Fee from Game and Fish authorized hunters, anglers and trappers
- Game and Fish wardens enforce on DTL lands

Mitigation Banking

- Develop mitigation banking program to benefit



20 YEAR FUTURE

Intergenerational Equity

Maximizing current distributions with the need to maintain the real value of the corpus for future generations.

- Replace Tobacco Tax
- Declining coal royalties
- Prepare for a decline in oil & gas royalties

Whole Trust Model

Treat the land & financial assets as two parts of a whole, allows us to more easily assess whether that the whole value is being maintained to provide long-term returns to beneficiaries.

- Assets Assessments
- In-Lieu Selections
- Distribution Policies

MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

RE: Acreage Adjustment Survey Relating to T152N R93W Section 11 Lot 2 and Section 10 Lot 6

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

The Sixty-Fifth Legislative Assembly's adoption of Senate Bill 2134 (SB 2134), codified as N.D.C.C. ch. 61-33.1, sought to establish state ownership of minerals below the ordinary high water mark of the historical Missouri riverbed channel (Historical OHWM) inundated by Pick-Sloan Missouri basin project dams.

Senate Bill 2211 of the Sixty-Sixth Legislative Assembly amended N.D.C.C. ch. 61-33.1 relating to the ownership of mineral rights of land subject to inundation by Pick-Sloan Missouri basin project dams. Under N.D.C.C. § 61-33.1-03(8), the Board contracted with Kadmas, Lee & Jackson, Inc. (KLJ) "to analyze the final review findings and determine the acreage on a quarter-quarter basis or government lot basis above and below the [Historical OHWM] as delineated by the final review findings of the industrial commission." KLJ has provided the Department of Trust Lands (Department) with a Final Report for Acreage Determination along the Ordinary High Water Mark as adopted by the North Dakota Industrial Commission Order No. 29129 which is available on the Department's website.

On June 25, 2020, the Board formally requested NDIC complete further review of T152N R93W Section 11 Lot 2 and Section 10 Lot 6. NDIC approved Order No. 31104 providing the Department with necessary information to complete the acreage adjustment survey in T152N R93W Section 11 Lot 2 and Section 10 Lot 6.

KLJ has completed the acreage adjustment calculations in T152N R93W Section 11 Lot 2 and Section 10 Lot 6. The project utilized all available data, records, and resources including the Review, the PLSS, Bureau of Land Management (BLM) General Land Office (GLO) updated Master Title Plats (available at the BLM), original GLO Survey Plats (available at the North Dakota State Water Commission), BLM field notes, and any other relevant data, records and resources. Where previous survey data was not available, lacking, or otherwise unusable, the KLJ project was required to conduct the field work necessary to supply the necessary data to complete and/or verify accurate boundaries within the Project Area. KLJ is available to review the methodology they used to calculate the acreage adjustments and answer any questions the Board may have regarding the acreage adjustment results.

Upon the Board's adoption of the Acreage Adjustment Survey for T152N R93W Section 11 Lot 2 and Section 10 Lot 6, as prepared by KLJ, the Department will promptly begin updating records to satisfy the Board's duty under N.D.C.C. § 61-33.1-04(2)(a). This process will be extensive and will require a review of each parcel within each spacing unit located within the Project Area. Each parcel will be reviewed for changes to the database, Correction of Oil and Gas Leases will be prepared for execution, requests for refunds of bonus and royalties will be prepared, each well will need a new royalty management unit to ensure future royalties will be allocated to the correct trust, the Department's shapefiles will be updated, and the Department will need to track the documentation for each lease correction.

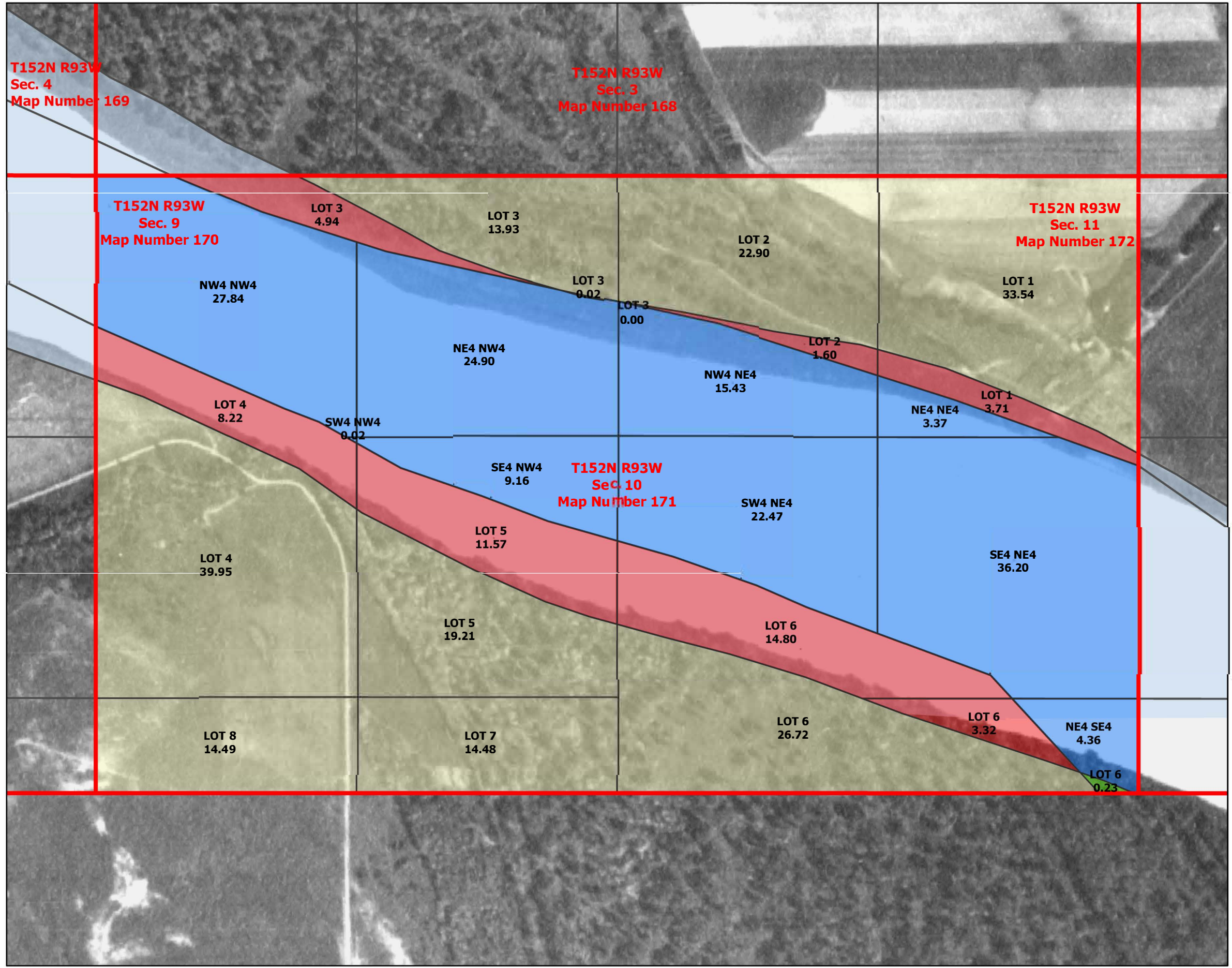
ITEM 7A

Prior to any issuance of refunds, appropriate documentation for each parcel requiring adjustment must be reviewed by the Department’s Director of Minerals Management and the Director of the Revenue Compliance Division. Following final review by the Commissioner, a refund authorization will be submitted to the Accounting Division. Once refunds are issued, Correction of Oil and Gas Lease documentation will be mailed to the operator and current lessee of record based on the records of the Department. If the lessee fails to return an executed copy or cash the check, the Department will need to take additional steps.

Recommendation: The Board adopts the acreage adjustment survey on a quarter-quarter basis or government lot basis above and below the ordinary high water mark as delineated by the final review findings of the North Dakota Industrial Commission for T152N R93W Section 11 Lot 2 and Section 10 Lot 6.

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

Attachment 1 – Map T152N R93W Section 11 and Section 10



Map Date: 11/23/2020

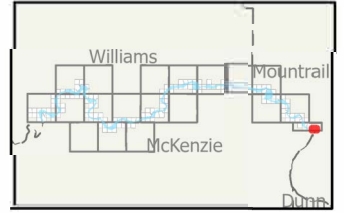
ADJUSTMENTS

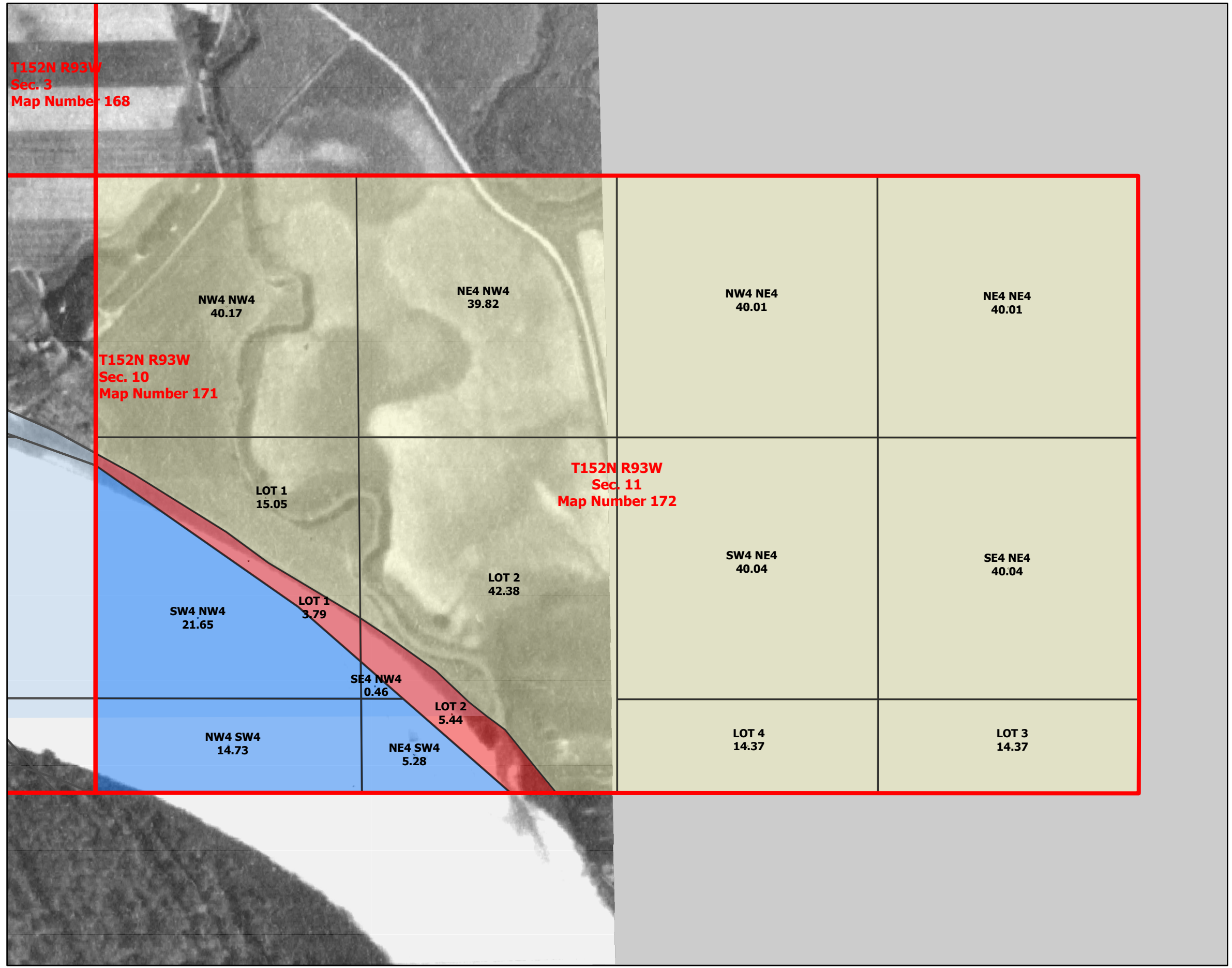
- Accreted Area Above OHWM
- Area Below OHWM
- Eroded Area Below OHWM
- Upland Area Above OHWM
- WENCK OHWM

OHWM SECTION ACREAGE

BELOW	ABOVE	TOTAL
191.91	185.48	377.39

DESCRIPTION	ACRES
NE4 NE4	3.37
NW4 NE4	15.43
SE4 NW4	9.16
SW4 NW4	0.02
NW4 NW4	27.84
LOT 3	0.00
SW4 NE4	22.47
LOT 2	1.60
SE4 NE4	36.20
LOT 3	0.02
LOT 3	4.94
LOT 1	3.71
NE4 SE4	4.36
LOT 4	8.22
LOT 5	11.57
NE4 NW4	24.90
LOT 5	19.21
LOT 4	39.95
LOT 7	14.48
LOT 8	14.49
LOT 1	33.54
LOT 2	22.90
LOT 3	13.93
LOT 6	26.72
LOT 6	14.80
LOT 6	3.32
LOT 6	0.23





T152N R93W
Sec. 3
Map Number 168

T152N R93W
Sec. 10
Map Number 171

T152N R93W
Sec. 11
Map Number 172



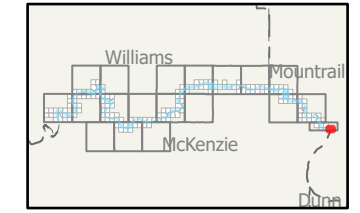
Map Date: 11/18/2020

ADJUSTMENTS	
■	Accreted Area Above OHWM
■	Area Below OHWM
■	Eroded Area Below OHWM
■	Upland Area Above OHWM
■	WENCK OHWM

OHWM SECTION ACREAGE

BELOW	ABOVE	TOTAL
51.35	326.25	377.60

DESCRIPTION	ACRES
NW4 SW4	14.73
SE4 NW4	0.46
NE4 SW4	5.28
LOT 1	3.79
SW4 NW4	21.65
LOT 1	15.05
LOT 3	14.37
LOT 4	14.37
SE4 NE4	40.04
NE4 NE4	40.01
NW4 NE4	40.01
SW4 NE4	40.04
NE4 NW4	39.82
NW4 NW4	40.17
LOT 2	42.38
LOT 2	5.44



NORTH DAKOTA DEPARTMENT OF TRUST LANDS
 THE MISSOURI RIVER FROM T153N-R102W TO T152N-R93W
 OHWM SECTION ACREAGE ADJUSTMENTS



SECTION 11 - T152N R93W



MEMORANDUM TO THE BOARD OF UNIVERSITY AND SCHOOL LANDS

November 24, 2020

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

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

Timeline of State Activity Related to Sovereign Lands

- The 1977 Legislature defined "sovereign lands" as "those beds, islands, accretions, and relictions lying within the ordinary high watermark of navigable lakes and streams." 1977 N.D. Sess. Laws, ch. 144, § 1, codified as N.D.C.C. § 15-08.2-02 (repealed 1989 N.D. Sess. Laws, ch. 552, § 4).
- From 1977 to 1989, the Board had authority over both the surface and subsurface of sovereign lands, including the power to convey interests.
- In 1989, the Legislature again defined state title as "those beds, islands, accretions, and relictions lying within the ordinary high watermark of navigable lakes and streams." 1989 N.D. Sess. Laws, ch. 552, § 3, codified as N.D.C.C. § 61-33-01.
- The 1989 Legislature gave the State Engineer's Office authority to manage the surface and the Board authority over the oil, gas, and related hydrocarbons within the subsurface, with each agency having the power to convey interests.
- In 2007, the Office of the State Engineer issued the North Dakota Sovereign Land Management Plan and Ordinary High Water (OHWM) Mark Delineation Guidelines.
- In 2009, the Board and the State Engineer engaged Bartlett & West, a private engineering company, to undertake a comprehensive study of the OHWM along the Yellowstone River and the Missouri River from the Montana border to river mile marker 1549 near Williston (Phase I Delineation).
- In 2010, the Board again contracted with Bartlett & West to approximate the location of the OHWM for the historic Missouri River under Lake Sakakawea from river mile marker 1574 near the Furlong Loop to river mile marker 1482, the border of the Fort Berthold Reservation (Phase II). This study was completed using historical aerial photography, elevation data, and topographic maps.
- In 2010, the Board authorized Phase III to investigate specific and isolated sections of the Missouri and Yellowstone Rivers between Williston to the Montana border that could not be fully completed under Phase I due to location and complexity (this includes the Trenton Lake area.)
- In 2012, the Board initiated the review of the estimated historic OHWM between the Four Bears Bridge and the Garrison Dam (Phase IV) using the same techniques as Phase II.
- In 2013, the North Dakota Supreme Court issued decisions in *Reep v. State* and *Brigham v. State* holding that the State owns the mineral interests up to the ordinary high water mark of navigable rivers and water bodies.
- In 2017, the Sixty-Fifth Legislative Assembly's adoption of Senate Bill 2134 (SB 2134), codified as N.D.C.C. ch. 61-33.1, sought to establish state ownership of minerals below the ordinary high water mark of the historical Missouri riverbed channel (Historical OHWM) inundated by Pick-Sloan Missouri basin project dams.
- In 2019, the Sixty-Sixth Legislative Assembly amended N.D.C.C. ch. 61-33.1 relating to the ownership of mineral rights of land subject to inundation by Pick-Sloan Missouri basin project dams. Under N.D.C.C. § 61-33.1-03(8), the Board contracted with Kadmas, Lee & Jackson, Inc. (KLJ) "to analyze the final review findings and determine the acreage on

a quarter-quarter basis or government lot basis above and below the [Historical OHWM] as delineated by the final review findings of the industrial commission.”

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

The Department has consulted with the State Engineer as to the State’s sovereign land ownership in Sections 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 33, 34, and 36 of Township 153 North, Range 102 West, Williams/McKenzie Counties, North Dakota (more commonly referred to as the Trenton Lake area.)

Recommendation:

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

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

Overview

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

Recommended Motion to be made in open session:

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

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

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

Statement:

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

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

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

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

Statements upon return to open session:

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

State that the Board is back in open session.

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

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

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

-or- .

Ask for a formal motion and a vote on it.

Move to the next agenda item.