



Supplemental Investment Fund

Managed by the Minnesota State Board of Investment



2024 Investment Prospectus

Calendar-Year Data as of December 31, 2023

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Message from Executive Director and Chief Investment Officer

The Minnesota State Board of Investment (SBI) is pleased to present the Supplemental Investment Fund (SIF) Investment Prospectus for the calendar year ended December 31, 2023 (CY23). With this issue, the brochure's publication date changes from a fiscal year cycle (July 1 to June 30) to a calendar year cycle (January 1 to December 31). As a result, the share values and rates of returns shown for each account will differ from past issues. This Prospectus provides information on the assets, performance, fees, and general descriptions for each investment option offered in the SIF platform managed by the SBI.

As of December 31, 2023, approximately \$3.43 billion was invested in various SIF options provided by the SBI to other public retirement and tax-advantaged savings plans. These options allow participating plans to take advantage of institutional investment management, low fees, and diversified investment options.

Please note that investments carry a risk of loss. In general, economic and market conditions have a dominant influence on the returns available to any investor. There may be periods in which the returns for the investment options in the Minnesota Supplemental Investment Fund are low or even negative. Each participating entity is responsible for determining its risk tolerance and liquidity requirements and investing accordingly. The SBI does not advise entities regarding their choice among funds unless required by statute.

It is a privilege to lead the SBI team and to be of service to participants in the SIF. We will remain singularly focused on our mission and continue to build upon the strong foundation that has made the SBI such a well-respected institutional investor. On behalf of all of us at the SBI, thank you for your continued support.

Respectfully submitted,



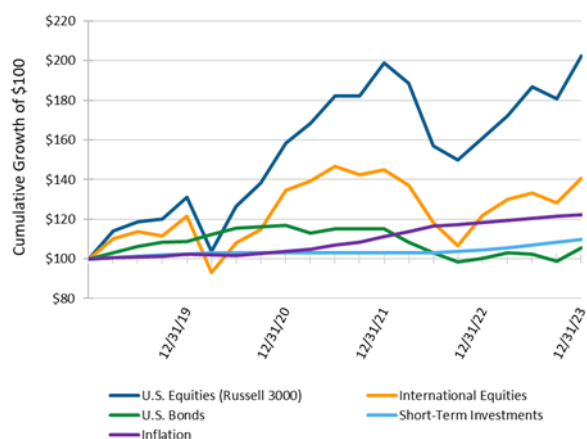
Jill E. Schurtz
Executive Director and Chief Investment Officer

Calendar Year in Review

Capital Markets Performance

Last Five Years Ending December 31 and Annualized Returns

Cumulative Growth of \$100



Performance of Capital Markets

Asset Class/Benchmark	Calendar Year Returns (%)					Annualized Returns (%)	
	2023	2022	2021	2020	2019	3 Year	5 Year
U.S. Equities							
Russell 3000	26.0	-19.2	25.7	20.9	31.0	8.5	15.2
International Equities							
MSCI ACWI ex USA (net)	15.6	-16.0	7.8	10.7	21.5	1.5	7.1
U.S. Bonds							
Bloomberg U.S. Aggregate	5.5	-13.0	-1.5	7.5	8.7	-3.3	1.1
Short-Term Investments							
ICE BofA 3-Month Treasury Bill	5.0	1.5	0.1	0.7	2.3	2.2	1.9
Inflation Rate							
Consumer Price Index CPI-U	3.3	6.4	7.2	1.3	2.3	5.6	4.1

Calendar Year Commentary

The **U.S. equity market**, as measured by the Russell 3000 index, rose +26.0% for the year ended December 31, 2023. Growth stocks, as measured by the Russell 3000 Growth Index (+41.2%), outperformed value stocks by a wide margin (the Russell 3000 Value Index gained +11.7%). Performance within the U.S. market was dominated by seven of the largest cap names in the index, dubbed the “Magnificent Seven” (Microsoft, Apple, Alphabet, Amazon, Nvidia, Meta, and Tesla), which collectively returned nearly +117%. More broadly, large-cap stocks outperformed small-cap stocks during the year. The Russell 1000 Index of large-cap companies rose +26.6%, while the Russell 2000 Index of small-cap companies rose just +16.9%.

The **U.S. bond market**, as measured by the Bloomberg U.S. Aggregate Bond Index, rose +5.5% for the year ended December 31, 2023. Interest rates experienced significant swings during the year in response to shifting expectations for the path of monetary policy tightening from the Fed. Returns on U.S. Treasury securities ultimately benefitted from the Fed’s decision in September to pause its tightening campaign in response to slowing inflation. Corporate bonds, bank loans, securitized credit, and other credit-sensitive securities outperformed Treasuries as continued strong economic and corporate fundamentals drove investor demand for credit.

International equity markets returned +15.6% for the year ended December 31, 2023, as measured by the Morgan Stanley Capital International All Country World Index excluding United States net of taxes on dividends (MSCI ACWI ex USA Index net), which represents both developed and emerging international markets outside the United States. Emerging markets (EM) returned +9.8% for the year. Within EM equities, Chinese stocks suffered from a sluggish economy hit by weak consumer spending and a pullback in foreign investment. In contrast, developed European markets including Germany, France, and Denmark saw strong returns during the year. Japan also was a top performer, helped by a weaker currency and an improved economic growth outlook.

The **cash, or short-term investment market**, as measured by the ICE BofA 3-Month U.S. Treasury Bill Index, returned +5.0% for the year ended December 31, 2023. The returns on very short maturity fixed income securities, which are more sensitive to changes in the Fed’s overnight policy rate, were boosted by continued rate hikes by the Fed during the year.

Supplemental Investment Fund: Performance and Participating Plans

SIF Investment Options Performance

SIF Investment Options Performance ¹ (%) as of December 31, 2023					
Investment Option / Benchmark	1 Year	Annualized Returns			Option Since
		3 Year	5 Year	10 Year	
U.S. Equity Actively Managed Fund	26.8	7.5	15.8	11.7	1986
<i>Russell 3000 Index</i>	26.0	8.5	15.2	11.5	
U.S. Equity Index Fund	26.0	8.7	15.4	11.6	1986
<i>Russell 3000 Index</i>	26.0	8.5	15.2	11.5	
Broad International Equity Fund	15.6	2.8	8.2	4.5	1994
<i>MSCI ACWI ex USA Index (net)</i>	15.6	1.6	7.1	3.8	
Bond Fund	7.0	-3.1	1.8	2.4	1986
<i>Bloomberg U.S. Aggregate Bond Index</i>	5.5	-3.3	1.1	1.8	
Balanced Fund	18.1	4.4	10.2	8.0	1980
<i>Balanced Fund Composite Benchmark²</i>	17.5	4.2	9.8	7.8	
Stable Value Fund ³	2.9	2.3	2.4	2.2	1994
<i>3 Year Constant Maturity Treasury + 0.45%</i>	4.8	3.1	2.5	2.2	
Money Market Fund	5.4	2.5	2.1	1.4	1986
<i>ICE BofA 3 Month Treasury Bill Index</i>	5.0	2.2	1.9	1.3	
Volunteer Firefighter Account	14.7	2.2	7.7	6.0	2010
<i>Volunteer Firefighter Composite Benchmark²</i>	14.0	2.0	7.2	5.7	

¹Average annual returns include terminated manager performance and reflect the deduction of investment management expenses but does not include SBI administrative fees. Performance greater than one year is annualized. Past performance does not guarantee future results.

²The Composite Benchmark return reflects the aggregate performance of the underlying asset class benchmarks according to their target weights.

³Stable Value Fund is not available to all Plans.

Participating Plans

Retirement plans that are eligible to invest in the Supplemental Investment Fund (SIF) include the following:

Statewide Volunteer Firefighter (SVF) Plan

(administered by PERA)

Participants in the SVF Plan should refer to the [Prospectus for the Volunteer Firefighter Account](#) or contact PERA for more information.

mnpera.org/plan-information/statewide-volunteer-firefighter

Volunteer Fire Relief Associations

(not participating in the SVF Plan)

See pages 13-14 of this Prospectus for information regarding SIF participation for Volunteer Fire Relief Associations.

msbi.us/volunteer-fire-relief-associations

PERA Defined Contribution Plan

(administered by PERA)

Participants in the PERA Defined Contribution Plan should contact PERA for more information.

mnpera.org/plan-information/the-defined-contribution-plans-dcp

Certain SIF investment options are available to other public retirement and tax-advantaged savings plans, which include the Health Care Savings Plan, Hennepin County Supplemental Retirement Plan, Minnesota Deferred Compensation Plan, St. Paul Teachers' Retirement Fund, and the Unclassified Retirement Plan.

Special Note Regarding Your Individual Account Performance

Your plan administrator or reporting agency accumulates your contributions and transfers these contributions to various accounts in the fund. The actual performance of your investments in the Supplemental Investment Fund may be somewhat higher or lower than these figures due to the timing of those transfers. Note that performance calculations may also differ due to rounding.

Supplemental Investment Fund: Overview

Investment Platform

The Minnesota Supplemental Investment Fund (SIF) was established by *Minnesota Statutes*, Section [11A.17](#). The SIF structure allows the SBI to offer other public retirement and tax-advantaged savings plans the ability to invest in similar asset class pools used by the three Statewide Retirement Systems (the “Combined Funds”) as well as other investment options. The asset class pools are structured much like mutual fund shares, where the participating plans own units of the pool.

The Combined Funds and other public retirement plan assets are grouped into several asset-class pools to increase operating efficiency. Participating in investment strategies alongside the Combined Funds allows other plans access to high-quality professional investment managers and lowers costs due to the SBI’s scale. The performance of the SIF investment options is driven by the underlying performance of the managers selected by the SBI to manage the assets of the respective shared asset class pools.

Participating Plans and Investment Options

The SIF investment options, listed in the grid at the bottom of the page, are available to eligible public retirement plans and various tax-advantaged savings plans. Not all SIF investment options are available to all plans, as availability depends on the rules and statutes specific to each plan. Please refer to pages 6-12 for detailed information on each SIF investment option, except the Volunteer Firefighter Account, which has its own [Prospectus](#).

Net Asset Values

The table to the right provides the net asset values for each of the SIF investment options. As of December 31, 2023, approximately \$3.4 billion was invested in the SIF platform.

Pricing of the SIF Investment Options

Share values for each SIF investment option are priced daily. Assets may be transferred between options on any business day during the month. (See procedures on pages 13-14). Historical share values are available at [msbi.us/SIF](#).

SIF Investment Options	Assets as of 12/31/2023
U.S. Equity Actively Managed Fund	\$ 89,767,567
U.S. Equity Index Fund	\$ 421,284,703
Broad International Equity Fund	\$ 142,179,980
Bond Fund	\$ 105,530,588
Balanced Fund	\$ 115,783,579
Stable Value Fund	\$ 1,607,468,851
Money Market Fund	\$ 770,256,101
Volunteer Firefighter Account	\$ 177,538,490
TOTAL	\$ 3,429,809,858

Changes within the Investment Funds

One investment manager was removed from the Broad International Equity Fund during the 2023 calendar year. Additional details on this change can be found on page 8.

List of Holdings

For a complete list of holdings, visit [msbi.us/asset-listings](#).

Total Fund Expenses

Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher or lower administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

SIF Investment Option Eligibility

The table below lists the SIF investment options available to various plans.

SIF Investment Options	U.S. Equity Actively Managed	U.S. Equity Index Fund	Broad International Equity Fund	Bond Fund	Balanced Fund	Stable Value Fund	Money Market Fund	Volunteer Firefighter Account
Plans								
Statewide Volunteer Firefighter Plan								✓
Volunteer Fire Relief Associations	✓	✓	✓	✓	✓		✓	
PERA Defined Contribution Plan	✓	✓	✓	✓	✓	✓	✓	
St. Paul Teachers' Retirement Fund	✓	✓	✓	✓	✓		✓	
Health Care Savings Plan						✓	✓	
Hennepin County Supplemental Retirement Plan							✓	
Minnesota Deferred Compensation Plan						✓	✓	
Unclassified Retirement Plan						✓	✓	

Supplemental Investment Fund: Overview

External Investment Management of Funds

Below are the external investment managers for the respective SIF investment options as of December 31, 2023.

U.S. Equity Actively Managed Fund

ArrowMark Partners
 Barrow Hanley Global Investors
 BlackRock Institutional Trust Company
 Goldman Sachs Asset Management
 Hood River Capital Management
 Hotchkis and Wiley Capital Management
 J.P. Morgan Investment Management
 LSV Asset Management
 Martingale Asset Management
 Peregrine Capital Management
 Rice Hall James & Associates
 Sands Capital Management
 Wellington Management Company
 Winslow Capital Management
 Zevenbergen Capital Investments

U.S. Equity Index Fund

BlackRock Institutional Trust Company

Broad International Equity Fund

Acadian Asset Management
 Columbia Threadneedle
 Earnest Partners
 Fidelity Institutional Asset Management
 J.P. Morgan Investment Management
 Macquarie Investment Management Advisers
 Marathon Asset Management
 Martin Currie
 Morgan Stanley Investment Management
 Neuberger Berman Investment Advisers
 Pzena Investment Management
 Record Currency Management
 State Street Global Advisors
 The Rock Creek Group

Bond Fund

BlackRock Financial Management
 Dodge & Cox
 Goldman Sachs Asset Management
 Neuberger Berman Investment Advisers
 Western Asset Management Company

Balanced Fund

U.S. Equity Index Fund
 (BlackRock Institutional Trust Company)
 Bond Fund
 (See list of investment managers above)
 Money Market Fund
 (State Street Global Advisors)

Stable Value Fund

Galliard Capital Management

Money Market Fund

State Street Global Advisors

Investment Options/Risk Spectrum

	<u>SIF Investment Option</u>	<u>Asset Type</u>	<u>Investment Management Approach*</u>
<p>Higher Risk</p> <p>Lower Risk</p>	Broad International Equity Fund	Non-U.S. Equities	Active and Passive
	U.S. Equity Actively Managed Fund	U.S. Equities	Active and Semi-Passive
	U.S. Equity Index Fund	U.S. Equities	Passive
	Balanced Fund	U.S. Equities U.S. Fixed Income Short-Term Securities	Passive (U.S. Equity Index Fund) Active (Bond Fund) Active (Money Market Fund)
	Bond Fund	U.S. Fixed Income	Active
	Stable Value Fund	Book Value: Investment Contracts Market Value: Fixed Income	Active
	Money Market Fund	Short-Term Securities	Active

Over the long run, higher-risk assets are expected to provide higher investment returns than lower-risk assets. However, there is no guarantee that any investment will not suffer a loss of principal.

*All SIF investment options are managed by external investment firms identified above as of December 31, 2023.

Investment Option: U.S. Equity Actively Managed Fund

Objective

The investment objective of the **U.S. Equity Actively Managed Fund*** ("Fund") is to generate returns over the broad U.S. equity market as measured by the Russell 3000 Index. To achieve this objective, the Fund is invested primarily in domestic equities.

The Fund is almost exclusively composed of stocks of U.S.-listed **companies**. The small amount of cash in the Fund represents new contributions received before investment in the market and any cash held by the individual investment managers within the Fund.

The 2023 calendar year-end market value was approximately \$89.8 million.

Investment Management

The U.S. Equity Actively Managed Fund invests alongside the Combined Funds by investing in the same asset class pools as the Domestic Equity Program. The Program's actively managed strategies include investment managers benchmarked to various Russell styles, including large-cap growth and value, small-cap growth and value, and all-cap growth. The Fund also invests in semi-passive investment managers benchmarked to a large-cap core style. These categories represent the actively managed sub-asset groups within the Domestic Equity Program.

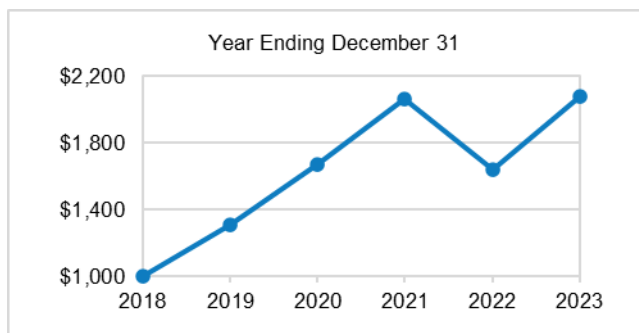
Investment managers retained by the SBI to invest the U.S. Equity Actively Managed Fund assets are listed on page 5 of this Prospectus.

Valuation

Investors own shares in the Fund, much like a mutual fund. The share value is determined daily and is based on the market value of the entire Fund. Any dividend income is reinvested in the Fund when it is earned. Investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the Fund.

Investment Performance

The graph below shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$2,077.



The table below displays the Fund's share values and returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +7.5% and +15.8%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Share Value (\$)	Rate of Return (%)
2023	134.42	26.8
2022	105.99	-20.7
2021	133.63	23.4
2020	108.27	27.6
2019	84.83	31.2

Fund Expenses[†]

The average annual investment management fee for CY23 in the U.S. Equity Actively Managed Fund was 0.19%. The investment management fee is charged by the external investment managers responsible for investing the Fund's assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.20% or \$1.95 per \$1,000 invested.

Fund Statistics and Equity Holdings

Risk Return Statistics	Ending December 31, 2023	
	3 Year	5 Year
Excess Return (%) ¹	-1.1	0.6
Portfolio Standard Deviation (%) ²	18.0	19.8
Benchmark Standard Deviation (%) ²	17.7	19.1
Tracking Error ³	1.5	1.9
Information Ratio ⁴	-0.7	0.3

¹ Excess Return (%): portfolio return less the benchmark return.
² Standard Deviation (%): measures portfolio's rate of return volatility.
³ Tracking Error: standard deviation of portfolio's excess return.
⁴ Information Ratio: measure of the portfolio's risk adjusted return.

Top Underlying Individual Equity Holdings	
Security Name	Portfolio Weight (%)
Microsoft Corp	4.4
Apple Inc	3.8
Amazon.com Inc	2.7
Nvidia Corp	2.3
Meta Platforms Inc	1.6

*A factsheet for this Fund is available on the SBI's website at msbi.us/SIF#facts.

[†]Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: U.S. Equity Index Fund

Objective

The investment objective of the **U.S. Equity Index Fund*** ("Fund") is to generate returns that track the performance of the broad U.S. equity market, as represented by the Russell 3000 Index. To accomplish this objective, the SBI invests in a fully passively managed strategy.

The 2023 calendar year-end market value was approximately \$421.3 million.

Investment Management

The U.S. Equity Index Fund invests in the Russell 3000 Index passively managed segment of the Combined Funds Domestic Equity Program, managed by BlackRock Institutional Trust Company.

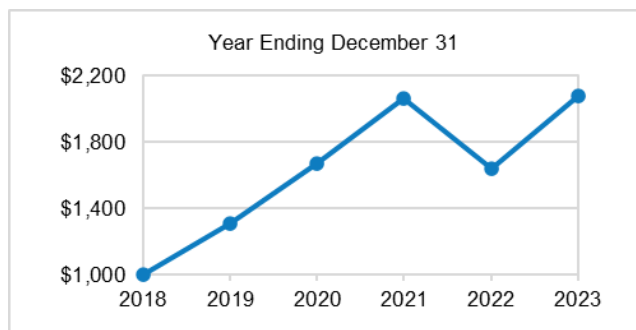
The Fund invests in over 2,700 domestic stocks and is designed to replicate the returns produced by the Russell 3000 Index. The Russell 3000 Index is a stock market index that represents the broad domestic stock market.

Valuation

Investors own shares in the Fund, much like a mutual fund. The share value is determined daily and is based on the market value of the entire Fund. Any dividend income is reinvested in the Fund at the time it is earned. Investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the Fund.

Investment Performance

The graph below shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively \$1,000 would have grown to \$2,041.



The table below displays the Fund's actual share values and returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +8.7 and +15.4%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Share Value (\$)	Rate of Return (%)
2023	104.24	26.0
2022	82.70	-19.2
2021	102.30	26.2
2020	81.07	21.2
2019	66.89	31.1

Fund Expenses†

The average annual investment management fee for CY23 in the U.S. Equity Index Fund was 0.005%. The investment management fee is charged by the external investment manager responsible for investing the Fund's assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.01% or \$0.14 per \$1,000 invested.

Fund Statistics and Equity Holdings

Risk Return Statistics	Ending December 31, 2023	
	3 Year	5 Year
Excess Return (%) ¹	0.2	0.2
Portfolio Standard Deviation (%) ²	17.7	19.1
Benchmark Standard Deviation (%) ²	17.7	19.1
Tracking Error ³	0.1	0.1
Information Ratio ⁴	1.5	1.5

¹ Excess Return (%): portfolio return less the benchmark return.
² Standard Deviation (%): measures portfolio's rate of return volatility.
³ Tracking Error: standard deviation of portfolio's excess return.
⁴ Information Ratio: measure of the portfolio's risk adjusted return.

Top Underlying Individual Equity Holdings	
Security Name	Portfolio Weight (%)
Apple Inc	6.1
Microsoft Corp	6.0
Amazon.com Inc	2.9
Nvidia Corp	2.5
Alphabet Inc Class A	1.8

*A factsheet for this Fund is available on the SBI's website at msbi.us/SIF#facts.

† Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: Broad International Equity Fund

Objective

The **Broad International Equity Fund*** ("Fund") invests in the stocks of companies outside the U.S., with a goal to outperform the Morgan Stanley Capital International All Country World Index, excluding the United States net of taxes on dividends (MSCI ACWI ex USA Index net).

The majority of the Fund is typically invested in the stocks of the largest developed international markets, including Japan, the United Kingdom, France, Switzerland, and Canada. A portion of the Fund is invested in other well-established markets in Europe and the Pacific region. In addition, the Fund invests in emerging markets worldwide, including those in Asia, Latin America, Eastern Europe, the Middle East, and Africa.

The 2023 calendar year-end market value was approximately \$142.2 million.

Investment Management

The Broad International Equity Fund invests alongside the Combined Funds by investing in the same asset class pools as the Combined Funds' International Equity Program. The International Equity Program retains active and passive investment managers. Active managers use a variety of investment styles and approaches as they seek to outperform the market. The Program's passive manager seeks to approximate the returns of the international markets in developed and emerging markets at a low cost. The Program's currency overlay program manager seeks to actively manage the portfolio's currency risk and provide a hedge against a decline in the value of the Fund's equity investments caused by currency fluctuations.

Investment managers retained by the SBI to invest the assets of the Broad International Equity Fund are listed on page 5 of this Prospectus.

Calendar Year 2023 Changes

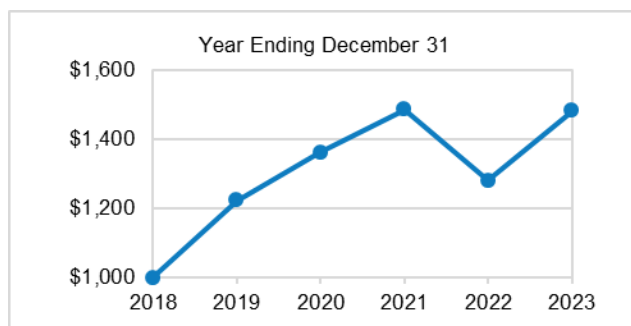
One investment manager was removed from the Broad International Equity Fund during the 2023 calendar year. The assets of that manager were reallocated to other managers within the Fund.

Valuation

Investors own shares in the Fund, much like a mutual fund. The share value is determined daily and is based on the market value of the entire Fund. Any dividend income is reinvested in the Fund at the time it is earned. Investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the Fund.

Investment Performance

The graph to the right shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$1,481.



The table below displays the Fund's actual share values and returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +2.8% and +8.2%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Share Value (\$)	Rate of Return (%)
2023	12.31	15.6
2022	10.65	-13.7
2021	12.34	9.0
2020	11.32	11.3
2019	10.17	22.4

Fund Expenses[†]

The average annual investment management fee for CY23 in the Broad International Equity Fund was 0.26%. The investment management fee is charged by the external investment managers responsible for investing the Fund's assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.27% or \$2.73 per \$1,000 invested.

Fund Statistics and Equity Holdings

Risk Return Statistics	Ending December 31, 2023	
	3 Year	5 Year
Excess Return (%) ¹	1.3	1.1
Portfolio Standard Deviation (%) ²	14.4	16.8
Benchmark Standard Deviation (%) ²	16.3	17.8
Tracking Error ³	2.4	1.9
Information Ratio ⁴	0.5	0.6

¹ Excess Return (%): portfolio return less the benchmark return.
² Standard Deviation (%): measures portfolio's rate of return volatility.
³ Tracking Error: standard deviation of portfolio's excess return.
⁴ Information Ratio: measure of the portfolio's risk adjusted return.

Top Underlying Individual Equity Holdings	
Security Name	Portfolio Weight (%)
Taiwan Semiconductor	1.6
Novo Nordisk	1.5
Samsung Electronics	1.4
ASML Holding	1.3
Nestle SA	1.2

*A factsheet for this Fund is available on the SBI's website at msbi.us/SIF#facts.

[†] Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: Bond Fund

Objective

The objective of the **Bond Fund*** ("Fund") is to provide current income and long-term growth potential while preserving invested capital. The Fund earns investment returns through interest income and capital appreciation. Historically, the Fund represents a lower-risk alternative than the investment options that include common stocks, though the Fund will be affected (typically inversely) by interest rate movements. The Fund is invested entirely in fixed income securities. No stocks are held in the Fund.

The 2023 calendar year-end market value was approximately \$105.5 million.

Investment Management

The Bond Fund invests alongside the Combined Funds Core/Core Plus Bond segment. This segment includes active investment managers with either a core or a core plus investment strategy.

Investment managers in the core bond strategy invest in high-quality fixed income securities across all investment-grade sectors of the market. Managers in the core plus bond strategy invest in high-quality fixed income securities and are also allowed expanded flexibility to invest in high-yield corporate bonds, international securities, and bonds issued by emerging market sovereign and corporate issuers.

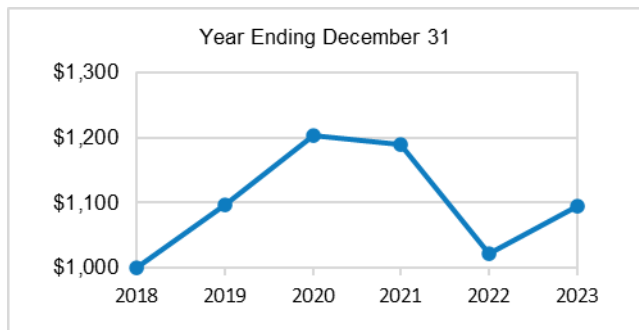
Investment managers retained by the SBI to invest the assets of the Bond Fund are listed on page 5 of this Prospectus.

Valuation

Investors own shares in the Fund, much like a mutual fund. The share value is determined daily and is based on the market value of the entire Fund. Any interest earnings are reinvested at the time they are received. Investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the Fund.

Investment Performance

The graph below shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$1,094.



The table below displays the Fund's actual share values and returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was -3.1% and +1.8%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Share Value (\$)	Rate of Return (%)
2023	20.91	7.0
2022	19.54	-14.1
2021	22.73	-1.1
2020	22.98	9.7
2019	20.95	9.7

Fund Expenses†

The average annual investment management fee for CY23 in the Bond Fund was 0.11%. The investment management fee is charged by the external investment managers responsible for investing the Fund's assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.11% or \$1.14 per \$1,000 invested.

Characteristics and Sector Weights

Fixed Income Characteristics as of December 31, 2023		
	Bond Fund	Bloomberg U.S. Agg. Bond Index
Effective Duration ¹	5.7%	6.1%
Coupon Rate ²	4.3%	3.2%
Yield to Maturity ³	5.0%	4.4%
Average Life (years) ⁴	9.4	8.5
Average Quality Rating ⁵	Aa3	Aa2

¹ The average % change in the portfolio return given a 1% shift in the yield curve.
² The average coupon rate of all bonds in the portfolio weighted by market value.
³ The annual internal rate of return on the bonds if held to maturity.
⁴ The average life of the bonds in the portfolio weighted by market value.
⁵ Moody's credit rating for bonds in the portfolio weighted by market value.

Top Fixed Income Sector Weights		
Sector	Bond Fund Weight (%)	Bloomberg U.S. Agg. Bond Index Weight (%)
Mortgage Pass-Through	30.1	26.7
Corporate	29.4	22.7
U.S. Treasury	12.0	40.8
CMO	9.7	1.7
Asset Backed	8.6	0.5

*A factsheet for this Fund is available on the SBI's website at msbi.us/SIF#facts.

† Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: Balanced Fund

Objective

The investment objective of the **Balanced Fund*** ("Fund") is to earn a return from capital appreciation (increases in market value) and current yield (dividends from stock and interest on bonds). The Balanced Fund pursues these objectives while attempting to protect against adverse financial environments and limit short-term portfolio return volatility.

The SBI invests the Balanced Fund in a portfolio of domestic equities, fixed income securities, and cash. The Balanced Fund's long-term strategic asset allocation is:

- 60% Domestic Equity
- 35% Fixed Income
- 5% Cash

The Fund's allocation to fixed income and cash provides a hedge against deflation, as well as diversification protection against equity market volatility.

The 2023 calendar year-end market value was approximately \$115.8 million.

Investment Management

The **Domestic Equity** segment of the Balanced Fund invests in the U.S. Equity Index Fund (see page 7), a passively managed portfolio that tracks the returns of the Russell 3000 Index.

The **Fixed Income** segment of the Balanced Fund invests in the Bond Fund (see page 9), an actively managed portfolio that seeks to earn returns in excess of the Bloomberg Aggregate U.S. Bond Index. The Fund invests primarily in high-quality corporate bonds, mortgage securities, and U.S. Government debt securities.

The **Cash** segment of the Balanced Fund is invested in the Money Market Fund (see page 12), a cash management strategy which invests in short-term, high-quality money market instruments. The Fund's performance is measured against the ICE BofA 3-Month Treasury Bill.

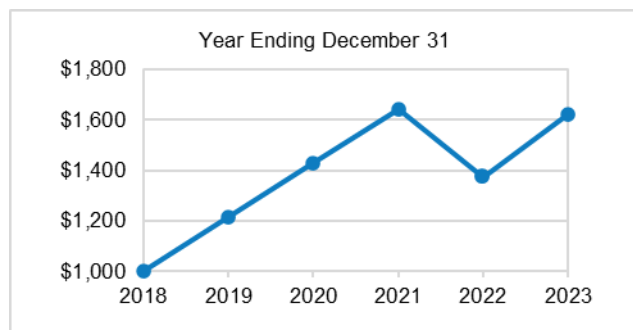
The investment managers retained by the SBI to invest the assets of the respective underlying Funds can be found on page 5 of this Prospectus.

Valuation

Investors own shares in the Fund, much like a mutual fund. The share value is determined daily and is based on the market value of the entire Fund. Any interest or dividend income is reinvested in the Fund at the time it is earned. Investment returns are measured by changes in the share value and reflect all realized and unrealized gains (or losses) generated by the Fund.

Investment Performance

The graph to the right shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$1,622.



The table below displays the Fund's actual share values and returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +4.3% and +10.2%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Share Value (\$)	Rate of Return (%)
2023	128.44	18.1
2022	108.75	-16.5
2021	130.16	15.2
2020	113.04	17.3
2019	96.38	21.7

Fund Expenses[†]

The average annual investment management fee for CY23 in the Balanced Fund was 0.04%. The investment management fee is charged by the external investment managers responsible for investing the Fund's assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.05% or \$0.48 per \$1,000 invested.

Fixed Income Sector Weights and Equity Holdings

Top Fixed Income Sector Weights		
Sector	Bond Fund Weight (%)	Bloomberg U.S. Agg. Bond Index Weight (%)
Mortgage Pass-Through	30.1	26.7
Corporate	29.4	22.7
U.S. Treasury	12.0	40.8
CMO	9.7	1.7
Asset Backed	8.6	0.5

Top Underlying Individual Equity Holdings	
Security Name	Portfolio Weight (%)
Apple Inc	6.1
Microsoft Corp	6.0
Amazon.com Inc	2.9
Nvidia Corp	2.5
Alphabet Inc Class A	1.8

*A factsheet for this Fund is available on the SBI's website at msbi.us/SIF#facts.

[†]Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: Stable Value Fund

Objective and Investment Management

The **Stable Value Fund*** (“Fund”) seeks to preserve principal, maintain adequate liquidity to meet withdrawals, and generate a level of income consistent with a short- to intermediate-duration, high-quality fixed income portfolio.

At the end of calendar year 2023, the total market value of the Stable Value Fund was approximately \$1.6 billion.

The Fund is managed by Galliard Capital Management, an independently operated, wholly owned subsidiary of Allspring Global Investments.

Components of the Stable Value Fund

There are three components to the Stable Value Fund. The first component is comprised of Investment Contracts issued by third party financial institutions. Investment Contracts are vehicles that are valued at “book” value rather than “market” value. The Fund is allowed to value its Investment Contracts at book value since it has secured the book value coverage by a third-party financial institution. The second component consists of an Underlying Portfolio of high-quality, well-diversified short- and intermediate-duration fixed income securities which support the Investment Contracts and are often referred to as “underlying securities.” In addition to these two components, the Stable Value Fund may also invest in cash or cash equivalents. The Investment Contracts component is one of the key differences between the Stable Value Fund and the Money Market Fund described on page 12 of this Prospectus. These Investment Contracts form the basis of the principal and income protection features of this product.

Valuation

Investors own shares in the Stable Value Fund, much like a mutual fund. The share value is determined daily and reflects the blended yield available from all investments in the Fund.

Risks

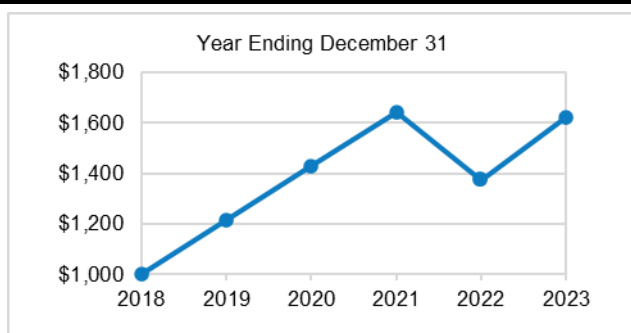
The Stable Value Fund is a conservative investment option with a relatively low risk of incurring loss of principal. The Fund’s return is measured against the 3-Year Constant Maturity Treasury Yield +0.45%. An investment in the Fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or by any other bank or investment advisor.

Restriction

The Stable Value Fund may accept transfers from other investment options in participating plans, in accordance with administrator guidelines. Balances may not be transferred directly from the Stable Value Fund to a competing fund, including the Money Market Fund. Instead, transfers from the Stable Value Fund must first be made to any non-competing investment option for a period of 90 days before the balance may be moved to the Money Market Fund.

Investment Performance

The graph to the right shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$1,127.



The table below displays the Fund’s returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +2.3% and +2.4%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Blended Yield (%) ¹	Rate of Return (%) ²
2023	3.1	2.9
2022	2.4	2.1
2021	1.8	1.9
2020	2.3	2.5
2019	2.7	2.7

¹The weighted average yield credited to the Investment Contracts, Underlying Portfolio, and cash held by the Account.
²Net gain or loss from book values of Investment Contracts.

Fund Expenses†

The average annual investment management fee in CY23 for the Stable Value Fund was 0.05%, and the average annual Investment Contracts fee was 0.15% for a total management fee of 0.20%. The investment management fee is charged by the external investment manager responsible for investing the Fund’s assets. Additionally, the SBI charges an administrative fee to each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the total management fee and administrative fee) in CY23 was 0.21% or \$2.07 per \$1,000 invested.

Characteristics and Sector Weights

Account Characteristics as of December 31, 2023	
Average Quality (Investment Contracts)	AA-
Market/Book Value Ratio	95.5%
Average Quality (Underlying Portfolio)	AA
Yield to Maturity (Underlying Portfolio)	5.0%
Effective Duration in Years (Underlying Portfolio)	2.9

Top Sector Weights of Underlying Portfolio (%)	
Corporates	32.1
Asset Backed Securities (ABS)	16.5
U.S. Treasury	12.0
Other U.S. Government	11.2
Mortgage-Backed Securities (MBS)	10.9

*A factsheet for this Fund is available on the SBI’s website at msbi.us/SIF#facts

†Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Investment Option: Money Market Fund

Objective

The **Money Market Fund*** (“Fund”) seeks to provide safety of principal, a high level of liquidity and a competitive yield. The Fund’s return is based on the interest income produced by the Fund’s investments. The Fund’s objective is measured against the ICE BofA 3-Month Treasury Bill Index.

At the end of calendar year 2023, approximately \$770.3 million was invested in the Money Market Fund.

Importance notice: The Fund is not a “money market fund” registered with the U.S. Securities and Exchange Commission (SEC) and is not subject to the various rules and limitations that apply to such funds.

The Money Market Fund invests in high-quality, short-term securities and other instruments including, but not limited to U.S. Treasury and Agency securities, repurchase agreements, commercial paper, and certificates of deposit. A full description of the portfolio holdings can be found in the quarterly factsheet.

Investment Management

The Money Market Fund is managed by State Street Global Advisors (SSGA).

Fund Structure

The Fund is an actively managed cash portfolio structured as a Short-Term Investment Fund (STIF). The Fund is regulated by the Federal Reserve, the Commodity Futures Trading Commission (CFTC), and the National Futures Association (NFA). The Fund is not a “money market fund” registered with the Securities and Exchange Commission (SEC) and is not subject to the various rules and limitations that apply to money market funds regulated by the SEC.

Valuation

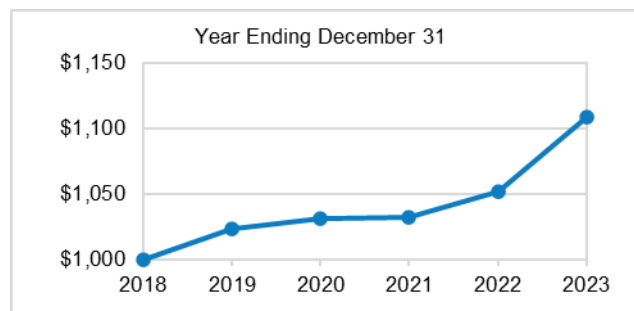
The Fund is expected to issue and redeem shares at a book value of \$1 per share. SSGA may, at any time (without notice to investors), however, issue and redeem shares at market value rather than book value. Interest earnings are credited daily by purchasing additional shares on your behalf. The credited interest rate changes only modestly from day to day and reflects the yield available for all investments in the Fund.

Risks

While it is expected that the Money Market Fund will preserve capital, there is no guarantee that an investor will not experience losses by investing in the Fund.

Investment Performance

The graph to the right shows how \$1,000 would have grown over the past five years had it been invested in the Fund. Cumulatively, \$1,000 would have grown to \$1,109.



The table below displays the Fund’s actual returns for the last five years. The annualized (annual compounded) return during this three- and five-year period was +2.5% and +2.1%, respectively. The rate of return for the Fund is calculated after investment management fees are paid but before administrative fees are deducted.

Year Ending December 31		
Year	Money Market Fund Return (%)	ICE BofA 3 Month T-Bill Return (%)
2023	5.4	5.0
2022	1.9	1.5
2021	0.1	0.0
2020	0.7	0.7
2019	2.4	2.3

Fund Expenses[†]

There is no investment management fee for an investment in the Money Market Fund. The SBI charges an administrative fee for each account. The administrative fee charged in CY23 was 0.009%. The total fund expense (the combination of the investment management fee and administrative fee) in CY23 was 0.009% or \$0.09 per \$1,000 invested.

Characteristics and Sector Weights

Portfolio Characteristics as of December 31, 2023	
Weighted Average Current Yield	5.67%
Weighted Average Maturity (days)	44
Average Credit Quality	A1P1

Top Sector Weights	
Sectors	Portfolio Weight (%)
Commercial Paper	32.9
Yankee Certificates of Deposit	25.1
Time Deposit	15.9
Asset Backed Commercial Paper	14.5
Certificates of Deposit	4.2
U.S. Treasury	4.0
Repurchase Agreements	1.7
Corporate Obligations	1.1
Bank Notes	0.4

*A factsheet for this Fund is available on the SBI’s website at msbi.us/SIF#facts.

[†]Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

Procedures: Volunteer Fire Relief Associations

Volunteer Fire Relief Associations that are not invested in the Statewide Volunteer Firefighter Plan will use the following procedures to invest in a Supplemental Investment Fund.

Except for the Stable Value Fund*, all Supplemental Investment Fund (SIF) investment options are available to Volunteer Fire Relief Associations. Volunteer Fire Relief Associations have complete discretion in determining the amount and allocation to invest in any eligible investment option(s). (See *Minnesota Statutes*, Section [356A.06](#), Subdivisions 6 and 7.)

How To Open an Account with the SBI	
Before investing in a Supplemental Investment Fund for the first time, Volunteer Fire Relief Associations must complete and return to the SBI the applicable Contact Form and Wire Instructions Form described below.	
<ul style="list-style-type: none"> • The Relief Association Contact Form provides the SBI with the permanent address of the Volunteer Fire Relief Association and the name, telephone number, and email address of the contact person for the Volunteer Fire Relief Association. <p>Monthly reports, statement notifications, and other correspondence from the SBI will be mailed and/or emailed to the contact person at the address provided.</p> <p>SBI will email credentials and instructions about activating and using the access and transaction website within five business days of receiving the Contact Form.</p>	<ul style="list-style-type: none"> • The Relief Association Wire Instructions Form provides the SBI with the name of the financial institution and wire instructions that will be used for all withdrawals. <p>All withdrawals from the account by your Volunteer Fire Relief Association will be sent to the named financial institution via the wire instructions provided. The SBI cannot issue checks for any withdrawals.</p> <p>The Wire Instructions Form must be notarized before returning to SBI.</p>

Contribution, Withdrawal and Transfer Procedures	
Volunteer Fire Relief Associations may contribute, withdraw, or transfer funds on any business day of the month using one of two methods:	
<ul style="list-style-type: none"> • Mail/Email <p>Complete the Relief Association Transaction Form.</p> <ul style="list-style-type: none"> • This form instructs the SBI what transaction to perform, the SIF investment option(s) involved, the dollar amount of the transaction, and whether a check or wire transfer will be used. • The Volunteer Fire Relief Association contact person must sign the form and send it to the SBI before 2:00 p.m. CST for the trade to be executed on the following business day. No same day trades are allowed. 	<ul style="list-style-type: none"> • Online <p>Enter your Trades online.</p> <ul style="list-style-type: none"> • If you wish to use this method, you must first have submitted a valid, updated Relief Association Contact Form and the Relief Association Wire Instructions Form. • Once the forms are received and approved, the SBI will instruct you on access to the system. This could take up to five business days to process. <p>If an online trade is for one million dollars or greater, you must notify the SBI prior to entering the trade (for internal control purposes).</p>

Contributions (May be made via wire transfer or check. The SBI strongly encourages the use of wire transfer.)
<p>Contributions via Check</p> <ul style="list-style-type: none"> • If you send a contribution by check for the SBI to process, submit a Relief Association Transaction Form and make the check payable to the Minnesota State Board of Investment. <p>Contributions via check will take a minimum of five days to process.</p>

*The Stable Value Fund is not available to Volunteer Fire Relief Associations

Procedures: Volunteer Fire Relief Associations

Contributions (continued)

Contributions via Wire Transfer

- If you instruct the SBI to process a contribution that was wired to the SBI's custodian bank, you must notify the SBI on the Relief Association Transaction Form of the exact date the wire contribution will be sent from the Volunteer Fire Relief Association's financial institution to the SBI's custodian (State Street Bank) using the wire instructions below.
- If you process an online contribution using website access, you must make the contribution via wire transfer using the wire instructions provided.

Wire Instructions to State Street Bank

State Street/Boston/Public Funds for the State of Minnesota
 Credit GP31
 Credit DDA #59845743
 ATTN: William Bowles
 ABA #0110 000 28
 Corporate Headquarters
 One Heritage Drive
 3rd Floor N
 Quincy, MA 02171

Withdrawals

- The SBI will return withdrawn amounts to relief associations **only** by means of a wire transfer.
- Withdrawals will be sent to the financial institution via wire instructions as shown on your Relief Association Wire Instructions Form on file with the SBI.
- Volunteer Fire Relief Associations are responsible for determining their investment objectives and risk tolerance and must choose their investments accordingly. Funds needed for operations or short-term obligations should be kept at your local financial institution in a liquid account; your account with the SBI is not intended to be used as a checking account.

Fees[†]

Administrative Fees

The CY23 SBI average annual administrative fee was 0.009%. This represents an annual charge of \$0.09 per \$1,000. The SBI deducts administrative fees quarterly using the order listed below.

- First: Money Market Fund
- Second: U.S. Equity Index Fund
- Third: U.S. Equity Actively Managed Fund
- Fourth: Broad International Equity Fund
- Fifth: Balanced Fund
- Sixth: Bond Fund

Investment Management Fees

There are no "front-end" or "back-end" fees charged on contributions, withdrawals, or transfers. Investment management fees are deducted from the SIF investment options quarterly, and the daily share value is net of these fees. Investment management fees will vary between SIF investment options and from year-to-year depending on the actual investment management costs incurred.

Please refer to pages 6-12 of this Prospectus for investment management fee information for each of the SIF investment options.

Reporting

- Monthly reports, statement notifications, and other correspondence from the SBI will be mailed and/or emailed to the Volunteer Fire Relief Association contact person(s) on file with the SBI.
- Monthly reports display current balances, performance, administrative fees (if applicable for the month), and any transactions that may have occurred during the month. All transactions use the daily share values established for each SIF investment option.
- Online access to your Volunteer Fire Relief Association's account is available and includes downloadable current balances, transactions, and past statements.

To Change Contact Person / Financial Institution:

Submit a newly completed Relief Association Contact Form to update a contact on file, or Wire Instructions Form to change banking information. Allow five business days for processing.

To Contact The SBI:

Minnesota State Board of Investment
 60 Empire Drive, Suite 100
 St. Paul, MN 55103-3555
 TEL (651) 296-3328 FAX (651) 296-9572
 Amanda Allen: amanda.allen@state.mn.us (investment items)
 Shirley Baribeau: shirley.baribeau@state.mn.us (account questions)
 SBI Accounting Team: acctg.sbi@state.mn.us

[†]Investment management fees and administrative fees are subject to change. Additionally, some plans may bear a higher administrative fee based on the individual needs of the plan, the investment option selected, and an appropriate allocation of expenses pursuant to *Minnesota Statutes*, Sections [11A.04](#) and [11A.07](#). Please contact the SBI with any questions regarding fund expenses associated with your account.

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Minnesota Supplemental Investment Fund Investment Prospectus



About the SBI

Established

The Minnesota State Board of Investment (SBI) was established in 1885 by Article XI of the Minnesota Constitution. The SBI serves the State of Minnesota by investing the assets of state and local employee benefit plans, other public retirement savings plans, tax advantaged saving plans, state cash accounts, and non-retirement assets.

Executive Director and Staff

The Board retains an Executive Director/CIO and staff to assist in meeting the objectives of the Board and execute its policies. A listing of SBI staff can be found on the SBI website at <https://msbi.us/staff>.

Board Members

Governor Tim Walz
Attorney General Keith Ellison
State Auditor Julie Blaha
Secretary of State Steve Simon

The primary responsibility of the Board is to monitor and evaluate the investment programs as a fiduciary with the goal of making sound investment decisions. The Board delegates responsibility through the retention of the Executive Director/CIO, staff, consultants, and with the advice of various committees.

Investment Advisory Council

A 17-member Investment Advisory Council was established in state statute to advise the Board and its staff on investment-related matters. A listing of the IAC membership can be found on the SBI website at <https://msbi.us/IAC-members>.