

17 JUL 2025 Harry Walker

North Dakota RIO plots private credit buildout

- Legacy fund pacing between \$75m and \$100m
- Recent tickets of \$35-\$50m
- Staff also considering new PC allocation for pension pool

Follow:

- + Investor city: Bismarck
- + Investor continent: North America
- + Investor country: United States

The North Dakota Retirement & Investment Office will commit between \$75m and \$100m to private credit annually over the next three to five years.

The pacing target is intended to bring North Dakota's \$11.9bn State Legacy Fund to its policy allocation over the allotted timeframe. Private credit accounted for 7.7% (\$917m) of the pool at the end of April versus a 10% (\$1.2bn) target.

North Dakota's 2024 activity suggests the capital will be split between two or more commitments.

The investor has committed to a variety of private credit strategies in recent years, including asset-based, distressed and multi-strategy funds.

Recent allocations have been between \$35m and \$50m, with the smaller amount reserved for the distressed strategy.

Two of North Dakota's last three commitments have been for global mandates, with one North America-focused allocation.

North Dakota RIO | Recent private credit commitments

Fund	Amount	Geography	Sector	Commitment Date
Cerberus NPL Fund II	\$35m	Global	NPLs	4/12/2024
Fortress Credit Opportunities VI	\$50m	Global	Multi-Strategy	5/10/2024
Castellake Asset-Based III	\$50m	North America	Asset Backed	3/10/2025
Total	\$135m			

Source: With Intelligence.

The agency is also considering giving its \$8.2bn pension trust a dedicated private credit allocation, senior investment officer Lance Zietlow revealed.

Currently, the trust bundles private credit – which accounted for 5.5% (\$451m) of the portfolio at the end of April – into its non-core fixed income composite. This is partly due to the pool's structure, which contains six plans at varying stages of maturity.

Staff's ultimate goal is to harmonize the plans' asset allocations and develop a private markets master trust, simplifying implementation and improving scale.

While possible figures were not given in the meeting, in May, consultant NEPC drew up model portfolios for the Public Employees Retirement System with a private credit target of 7.5%.

Applied to the wider trust, this would amount to some \$615m at current valuations.

Should an allocation be approved, North Dakota would likely operate a separate pacing target for the pension trust. The agency already does this for private equity, though commitments are usually combined to create larger tickets.

Investor profiles

North Dakota State Investment Board (NDSIB)

North Dakota State Legacy Fund

North Dakota State Pension Pool

Related articles

We've found articles and reports with similar topics that you might find interesting.

San Diego boosts limit for opportunistic allocations >

Florida SBA hires senior analyst >

Texas A&M loses deputy CIO >

Chicago Fire CIO departs >