

**NDPERS INVESTMENT SUBCOMMITTEE  
MINUTES  
Tuesday, August 27, 2024  
8:30 A.M.**

**Board Members Present via Teams:** Chairperson Adam Miller  
Tyler Erickson  
Joe Morrissette  
Rep. Greg Stemen  
Jeffry Volk

**Staff Present:** Rebecca Fricke  
Derrick Hohbein  
Marcy Aldinger  
MaryJo Anderson  
Katheryne Korom

**Staff Absent:** Dean DePountis

**Others Present:** Craig Chaikin, Perry Hopper, Ben Taylor - Callan  
Scott Anderson - RIO  
Dave Ramirez - Empower

**Minutes**

Chairperson Adam Miller called the meeting to order at 8:30 AM. A quorum was present.

**Greg Stemen moved to approve the Investment Subcommittee agenda for the August 27, 2024, meeting. The motion was seconded by Jeffry Volk.**

Agenda was approved by voice vote.

**I. Minutes – Tuesday, May 28, 2024**

Chairperson Miller called for questions or comments regarding the minutes of May 28, 2024.

**Jeffry Volk moved to approve the minutes of the May 28, 2024, Investment Subcommittee meeting. The motion was seconded by Greg Stemen.**

Minutes were approved by voice vote.

**II. Conflict of Interest Disclosure Consideration**

None reported.

### **III. Defined Benefit Plans Performance Q2 2024 Update – RIO**

Scott Anderson gave an investment update on the PERS Defined Benefit plans as of March 31, 2024. Performance benchmark indices were reviewed. The annual inflation rate for July 2023 thru July 2024 was +2.9% based on the CPI. NDPERS' 10-year average return as of March 31, 2024, was 7.2% compared to the policy return of 6.6%. PERS actual and target asset allocations were reviewed. The year-to-date total PERS fund return of 4.2% less the policy benchmark return of 3.8% resulted in a total relative return of 0.4% as of May 31, 2024. The one-year total PERS fund return of 11.2% less the policy benchmark return of 11.0% resulted in a total relative return of 0.2% as of March 31, 2024. Total actual assets as of March 31, 2024, were \$4,302,807,000. Discussion took place.

### **IV. Asset Allocation Discussion – RIO**

Scott Anderson presented information on asset allocation, Pension Fund Level studies and hiring an Asset Allocation Consultant. Discussion took place.

### **V. Market Update & Performance – Callan**

Perry Hopper presented a market update for the 2nd quarter of 2024. Perry noted the successful recordkeeper transition from TIAA to Empower, and implementation of the new investment structure as of July 1, 2024.

The investment structure for the 457 and 401(a) plans was reviewed. Both plans experienced positive investment gains in the second quarter. Both managers previously on the wait list, Templeton Global Bond and Allspring Growth, were removed as part of the transition to the new investment structure. No managers are currently on watch.

Perry Hopper and Craig Chaikin reviewed the plan investment fees in the new structure. Discussion took place.

### **VI. Plan Review – Empower**

Dave Ramirez with Empower presented the 2Q2024 plan review. The NDPERS Companion plan has 10,568 participants and assets of \$222,597,210. The NDPERS 401(a) Defined Contribution plan has 197 members and assets of \$23,586,938. Empower hosted four webinar sessions for members to introduce them to the available resources. The transition guide will be submitted by Empower to the Marcom competition. Discussion took place.

### **VII. Annuity Lineup – Callan**

Requirements of North Dakota House Bill 1040 were reviewed by Ben Taylor. Non-Guaranteed verses Guaranteed Solutions, options available to meet HB 1040, and a comparison of fixed account solutions were presented. Callan recommends selecting an option from Empower and New York Life. Discussion took place.

**Tyler Erickson moved to recommend that Callan limit their analysis to the following four funds for consideration by the Board at the September meeting: Empower Investments Fixed Account Series, Empower Guaranteed Income Fund, New York Life Guaranteed Interest Account, and New York Life Insurance Company Anchor Account. The motion was seconded by Joe Morrissette.**

Ayes: Chairperson Adam Miller, Mr. Erickson, Mr. Morrissette, Mr. Volk  
Nays: Representative Stemen  
Absent: None

#### **VIII. Asset Liability Study RFP – Derrick**

This agenda item was noticed for Executive Session.

**JEFFRY VOLK MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.1(9) AND §44-04-19.2 INCLUDING SCOTT ANDERSON FROM RIO TO DISCUSS NEGOTIATING STRATEGY OR PROVIDE NEGOTIATING INSTRUCTIONS TO ITS ATTORNEY OR OTHER NEGOTIATOR. TYLER ERICKSON SECONDED THE AMENDED MOTION.**

Ayes: Chairperson Adam Miller, Mr. Erickson, Mr. Morrissette, Mr. Volk  
Nays: None  
Absent: Representative Stemen

#### **MOTION PASSED**

Chairperson Adam Miller, Tyler Erickson, Joe Morrissette, Jeffry Volk, Scott Anderson, Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, MaryJo Anderson, and Katheryne Korom were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:46 AM. The meeting returned to Open Session at 12:02 PM.

**THE SUBCOMMITTEE PROVIDED GUIDANCE TO THE STAFF ON HOW TO PROCEED WITH THE ASSET LIABILITY STUDY RFP.**

#### **IX. Other Business**

None

The next regular meeting will be on November 26, 2024.

**The subcommittee adjourned at 12:04 PM.**