

**NDPERS INVESTMENT SUBCOMMITTEE
MINUTES
Tuesday, November 26, 2024
8:30 AM**

Members Present: Chairperson Adam Miller

Members By Teams: Tyler Erickson
Rep. Greg Stemen
Jeffry Volk

Members Absent: Joe Morrissette

Staff Present: Rebecca Fricke
Derrick Hohbein
MaryJo Anderson
Katheryne Korom

Staff Absent: Marcy Aldinger

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

Minutes

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

Agenda was approved by voice vote.

I. Minutes – Tuesday, August 27, 2024

Chairperson Miller called for questions or comments regarding the minutes of August 27, 2024.

Jeffry Volk moved to approve the minutes of the August 27, 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 Q3 2024 Update – RIO

Scott Anderson gave an investment update on the PERS Defined Benefit plans as of September 30, 2024. Performance benchmark indices were reviewed. The annual inflation rate for October 2023 thru October 2024 was +2.6% based on the CPI. NDPERS' 10-year average fund return as of September 30, 2024, was 7.5% compared to the policy return of 7.1%. PERS actual and target asset allocations were reviewed. The year-to-date total PERS fund return of 9.6% less the policy benchmark return of 10.2% resulted in a total relative return of -0.6% as of September 30, 2024. The one-year total PERS fund return of 16.4% less the policy benchmark return of 17.5% resulted in a total relative return of -1.1% as of September 30, 2024. Total actual assets as of September 30, 2024, were \$4,509,670,778. Discussion took place.

IV. Market Update & Performance – Callan

Perry Hopper presented a market update for the 3rd quarter of 2024. The investment structure for the 457 and 401(a) plans was reviewed. The Active Manager Monitoring Summary was reviewed. Galliard has underperformed the benchmark, but ranks top decile among peers over the trailing 3- and 5-year periods. Both plans experienced positive investment gains in the third quarter. The Active Manager Performance Summary, Plan Performance Monitoring data, and Plan Investment Fees were reviewed.

V. Plan Review – Empower

Dave Ramirez with Empower presented the 3Q2024 plan review. The NDPERS 401(a) Defined Contribution plan has 193 members and assets of \$24,256,926. The NDPERS 457(b) Companion plan has 10,642 participants and assets of \$226,793,041. Overall, there are 10,835 plan participants with total assets of \$251,049,967. Participant Engagement data was reviewed. Communication strategies are being developed to educate employees on services available through Empower. Mr. Ramirez also noted that Empower and NDPERS were awarded Gold in the Marcom competition. Discussion took place.

The committee took a break from 10:45 AM to 10:50 AM.

VI. In-Plan vs. Out-of-Plan Annuities – Callan

Craig Chaikin presented information on In-Plan verses Out-of-Plan annuities. Craig presented an overview of retirement income solutions and guaranteed income solutions. Guaranteed Fixed Accounts appear to be the best way to currently meet the requirements of HB 1040. Discussion took place.

IX. Other Business

Katheryne Korom shared a list of proposed meeting dates for the 2025 calendar. Discussion took place.

TYLER ERICKSON MOVED TO APPROVE 2025 MEETING DATES OF FEBRUARY 19, MAY 27, AUGUST 26, AND NOVEMBER 25. THE MOTION WAS SECONDED BY JEFFRY VOLK AND CARRIED BY VOICE VOTE. THE 2025 SCHEDULE WAS APPROVED.

The next regular meeting will be on February 19, 2025.

The subcommittee adjourned at 11:44 AM.