



Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 280 675 677#
Date: Tuesday, June 14, 2022
Time: 8:30 A.M.

I. MINUTES

A. May 17, 2022

II. PRESENTATIONS

A. About the Patient Annual Report – Mike Schwab / Rebecca (Board Action)

III. DEFERRED COMPENSATION/DEFINED CONTRIBUTION

- A. DC Plans Record Keepers Contract Renewal – Derrick (Board Action)
- B. First Quarter Investment Report – Derrick (Information)
- C. Investment Consultant Renewal or Request For Proposal – Derrick (Board Action)
- D. 401(a) & 457 Statement of Investment Policies – Derrick (Board Action)

IV. RETIREMENT

A. Job Service Plan Asset Allocation & Investment Policy – Derrick (Board Action)

V. GROUP INSURANCE

- A. Insurance Consultant Vendor Selection – Derrick (Board Action) ***EXECUTIVE SESSION**
- B. SHP Update on Pre-Authorization on Diabetes Medication – Rebecca (Information)

VI. MISCELLANEOUS

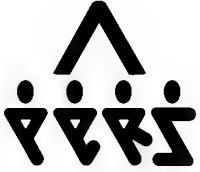
- A. Legislative Relations – Scott (Information)
- B. Contracts Under \$10,000 – Scott (Information)
- C. State Investment Board Composition – Scott (Information)
- D. Microfiche Conversion Project Request For Proposal Vendor Selection – Derrick (Board Action) ***EXECUTIVE SESSION**
- E. Budget – Derrick (Board Action)
- F. Mail Inserter – Derrick (Board Action)
- G. Audit Committee Report – Shawna (Information)
- H. Board Election Results – Kim Wassim, Committee Chair (Board Action)
- I. Committee and Board Appointments – Scott (Board Action)

VII. MEMBER ****EXECUTIVE SESSION**

- A. Retirement Benefit Appeal Case #740 – MaryJo (Board Action)
- B. Retirement Benefit Appeal Case #741 – MaryJo (Board Action)
- C. Retirement Benefit Appeal Case #750 – MaryJo (Board Action)
- D. Retirement Benefit Appeal Case #751 – MaryJo (Board Action)

*Executive Session pursuant to NDCC §§ 44-04-17.1(2) and (5), 44-04-18.4(6), to hear and discuss bids or proposals received by a public entity in response to a request for proposal. (Motion is necessary)

**Executive Session pursuant to N.D.C.C. §44-04-19.2, §44-04-19.2(1) and/or §54-52-26 to discuss confidential records or confidential member information.



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: June 14, 2022

SUBJECT: About the Patient Diabetes Management Program
Annual Report

Mike Schwab from the ND Pharmacy Association will be present at the meeting to provide the Board with the 2021 Annual Report for the About the Patient Diabetes Management Program (Attachment).

The Board has been interested in having a study done to determine the return on investment and effectiveness of this program. You may recall that the program modified the enrollment and reimbursement process effective January 1, 2019 based upon recommendations from the Pharmacy Association. Our initial plan was to conduct this type of study after the new process was in effect for three years. However, after discussions with Jesse and internally between staff, we would recommend that the Board delay this type of study until after five years. The main reason is due to the impact that the program experienced during 2020 and 2021 due to COVID-19. The Pharmacy Association did note that there was disruption due to COVID with members getting the services, especially the required pharmacist visits due to being unable or uncomfortable coming in for them. By delaying the study, it would allow the program to stabilize so more accurate information could be provided to determine the return on investment and effectiveness of the program.

Board Action Requested:

Determine whether to move forward with an analysis of the program at this time or delay for an additional two years to allow the program to stabilize following the impact of COVID-19.



ANNUAL REPORT FOR NDPEERS

About the Patient Collaborative Diabetes Drug Therapy Program

North Dakota Pharmacy Services Corporation

JUNE 2022

Prepared by | Jesse Rue, PharmD, BCPS


In the lineup for today

Here are the topics we will be discussing:



1. Program Design
2. Key Health Indicators
3. Medication Related Problems
4. Member Engagement
5. Member Satisfaction
6. Budget Status Update

Program Design



At its heart, this is a program to optimize treatment plans and adherence for chronic illnesses

CALENDAR DIVIDED INTO THREE BLOCKS

FRESH ASSETS MAINTAIN VIBRANCY.



Calendar
divided
into three
segments



Visit made
within each
segment



When visit is
made, copay
reimbursement
awarded for
segment



Without a visit,
reimbursement
isn't awarded

When a visit occurs during a block, the reimbursement is awarded for certain diabetes, hypertension and cholesterol meds as well as certain testing supplies.



Program assets are continually refreshed to provide members with appealing and impactful educational materials, better standardizing their experiences.

Key



Health Indicators

Insight into program impact in 2021 for members with diabetes and hypertension

Some Background

A few words on measures, prevalence, and personal impact to members. Hypertension and diabetes impact health and quality of life in profound ways.

DIABETES

- 01** Quality Measures often require HbA1c <9%. Good control often considered HbA1c <7% depending upon variables.
- 02** Over 9% of people in North Dakota have diabetes.
- 03** Persons with diabetes experience health expenditures >2x those without and risk of early death increases by 60%.

HYPERTENSION

- 01** Quality Measures often report Hypertension control <140/90, whereas ACC/AHA define as <130/80.
- 02** Over 22% of ND adults have uncontrolled hypertension.
- 03** About 7 of 10 people having their first heart attack have high blood pressure and 8 out of 10 having first stroke.

Adapted from Health Issues for the State of ND, Biennial Report 2021 University of North Dakota

A1c data **for** Diabetes

Program care initiatives have helped members improve their Hemoglobin A1c measurement, which is critical for long term success.

AVERAGE A1C IMPROVEMENT

Members improving their A1c for this program year did so by an average of 0.7 points.

0.7 point
A1c reduction

Pressure data for Hypertension

Program care initiatives helped members improve their blood pressure, which is critical in avoiding complications such as heart attack and stroke.

UNCONTROLLED ACHIEVING CONTROL

We evaluated patients experiencing uncontrolled blood pressure in 2021 and tracked progress. Of those, 43% found control later in the year with blood pressure reading <130/80.

**43% controlled
by end of year**

Medication ←

Related Problems

Key to the program is resolving Medication Related Problems to avoid Adverse Drug Events

Adverse Drug Events remain a **persistent national problem.** ←

An ADE is an event resulting in harm from a medication. Identifying Drug Therapy Problems are a way for pharmacists to resolve issues **before they turn into a serious ADE.**

Intervening to mitigate or prevent these problems is an area where the pharmacist is addressing issues that remain unresolved elsewhere and is a unique contribution to care.

Pharmacists in this program are making over two interventions per member on average.

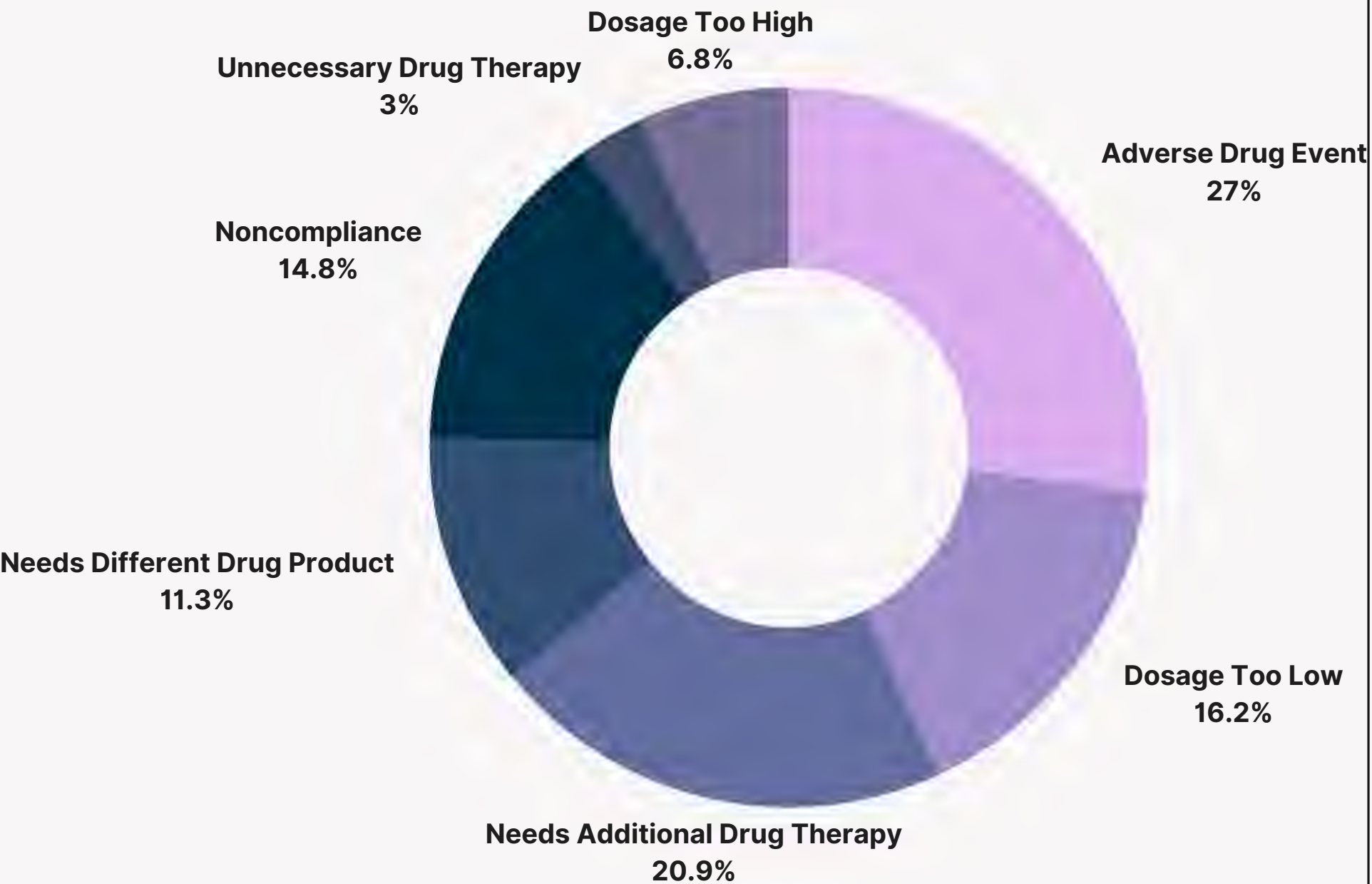
Problems Identified

Identifies >2 problems per member on average

From the Federal Office of Disease Prevention and Health Promotion:

“Each year, ADEs in outpatient settings account for:

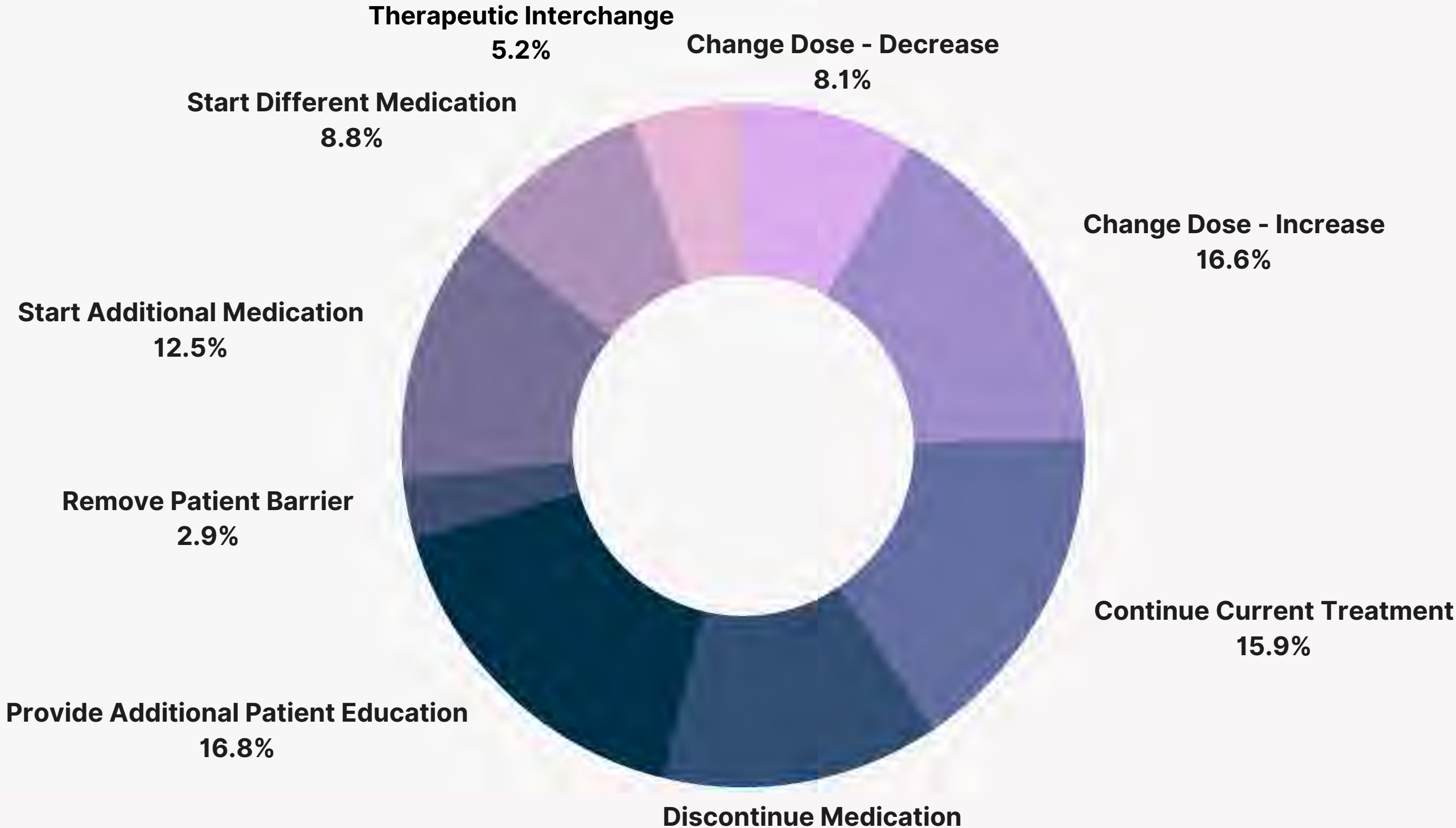
- Over 3.5 million physician office visits
- An estimated 1 million ER visits
- Approximately 125,000 hospital admissions



THE GOOD NEWS IS THAT LARGE MAJORITY OF ADE'S ARE PREVENTABLE. REDUCING ADES IS EXPECTED TO RESULT IN SAFER AND HIGHER QUALITY HEALTH CARE SERVICES, REDUCED HEALTH CARE COSTS, MORE INFORMED AND ENGAGED CONSUMERS, AND IMPROVED HEALTH OUTCOMES.”

Problem Resolution

IMPROVEMENTS TO OVERALL CARE RESULTED FROM INTERVENTIONS DESCRIBED ABOVE AND IMPROVED SELF-MANAGEMENT EDUCATION THROUGH THE PROGRAM VISITS.
THIS IS THE FOUNDATION OF THE PROGRAM'S DESIGN.



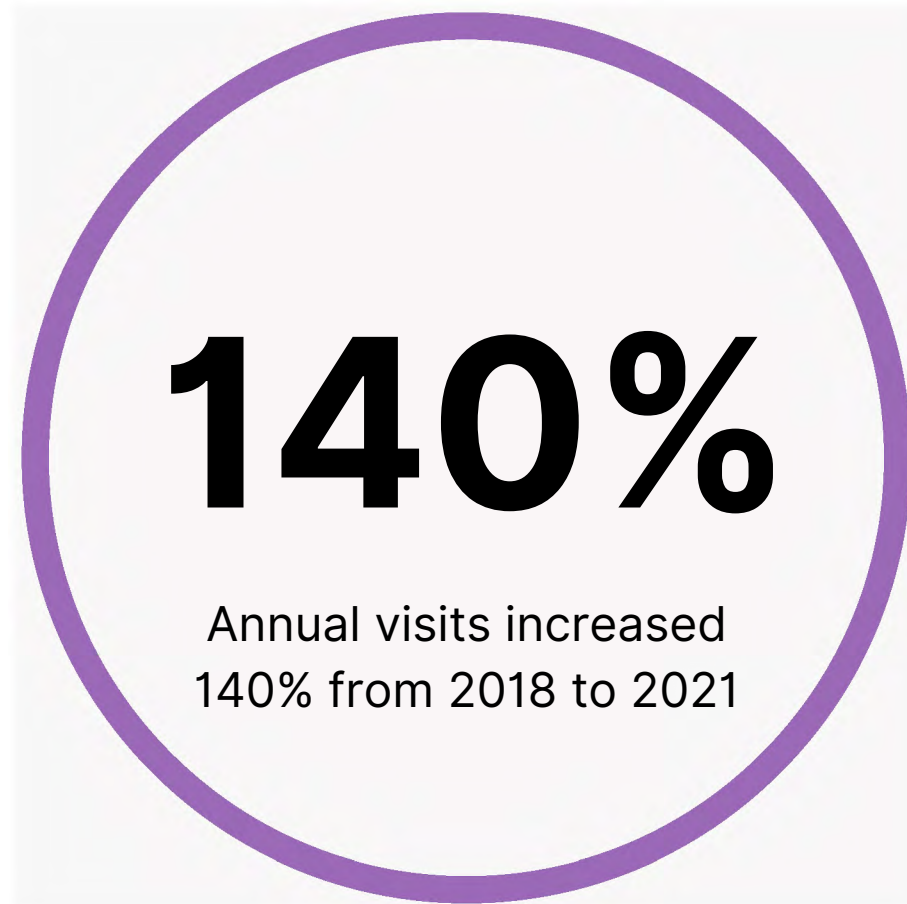
Member ←

Engagement

Chronic disease care improves when members are able to engage conveniently and often

Member Engagement

While COVID continued to impact operations, positives were still experienced in 2021. We remained encouraged by the resiliency of members, NDPERS leadership and staff, and providers in this program as stakeholders maintained commitment to improving member health.



2019 Member visits increase 80% from prior year.

2020 COVID impact begins in March. Visits increase 5% for the year.

2021 COVID continues to ravage healthcare. Visits increased 27% for the year.

Member ←

Satisfaction

Satisfaction with care received remains a strength of the program year over year

Member Satisfaction

Remained Strong in 2021

Member satisfaction remains consistently strong and stable year to year, indicating belief that the providers have member's best interests in mind and are effective in improving health overall.



The provider's interest in your health = **4.91**



The provider's efforts to improve your health or stay healthy = **4.89**



How well the provider helps you manage your medications = **4.89**



The program services overall = **4.92**

1 = Strongly Disagree to
5 = Strongly Agree

Budget ←

Status Update

A snapshot of spend in 2021 compared with budgeted amounts

Budget status snapshot



CATEGORY	ANNUAL BUDGET	ACTUAL SPEND
PATIENT COPAY INCENTIVE	\$98,000	\$86,605
PROVIDER VISITS	\$66,000	\$62,160
ADMIN FEE	\$10,000	\$10,000
MARKETING	\$2,500	\$2,500
TOTAL	\$177,000	\$161,265

The **program is staying within budget** and is tracking **similarly to recent years.**

The table displays one year of budgeted expenses and demonstrates that the program is currently on target for budget goals during the biennium.

Copay reimbursement was offered for certain cholesterol medications beginning in summer 2019 and the project has stayed within budget.

Gratitude

We appreciate the opportunity to deliver this report and are grateful to be part of your continued efforts to create healthier members and communities across North Dakota.



Thank You

Contact

Jesse Rue, PharmD, BCBS
Clinical Coordinator
About the Patient Programs

www.aboutthepatient.net
jrue@aboutthepatient.net
701-258-4968



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
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Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: DC Plans Record Keeper Contract Renewal

TIAA's contract ends June 30, 2023, and staff has been working on revising the RFP for our record keeper on the Deferred Compensation and Defined Contribution plans. As we were doing so, we questioned the timeline in which this contract expires. Currently, both our health plan and record keeper agreements expire on the same date. These two transitions are the most complex transitions that our office experiences, and having to possibly complete both transitions at the same time could prove detrimental to our agency.

The investment subcommittee agreed with the staff's suggestion of moving the end date of the record keeper of our DC plans 12 months – so that it would end June 30, 2024.

We have asked TIAA for a cost proposal to add an additional 12 months to the relationship, and TIAA indicated they are interested in continuing our relationship at the same cost as they are administering our plan today.

Board Action Requested:

Consider whether to extend the contract with TIAA an additional 12 months.



Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: 457 Companion Plan & 401(a) Plan 1st Quarter 2022 Report

Here is the 1st quarter 2022 investment report for the 401(a) & 457 Companion Plans. The reports are available separately on the NDPERS website. The NDPERS Investment Sub-committee reviewed the 1st quarter reports. The two plans have 9,429 participants with \$206.3 million in assets.

Assets in the 401(a) plan decreased to \$19.1 million on March 31, 2022. The number of active participants is at 92. The TIAA-CREF Target Date funds have 58% of the plan assets.

Assets in the 457 Companion Plan decreased to \$187.2 million on March 31, 2022. The number of active participants is increasing and is now at 6,504. The TIAA-CREF Target Date funds have 69% of the plan assets.

Benchmarks:

Fund returns for the quarter were mostly negative for the funds in the core lineup. 4 core funds had positive returns for the quarter (32 negative). Core fund performance was mixed when compared to benchmarks. Fund performance in the 3-year & 5-year periods were mostly good. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund / Investment News:

The NDPERS Investment Subcommittee reviewed the 1st quarter 2022 plan review and field activity report with TIAA. Callan gave a market overview and investment performance report. The Subcommittee reviewed the two funds under formal fund review (Templeton Global Bond and Wells Fargo Growth). The investment subcommittee did not have any actionable concerns for the Board to consider. Callan reviewed the NDPERS core fund offerings and will be presenting the Investment Subcommittee with recommendations for the equity lineup at the next meeting scheduled in August 2022.

**NDPERS
Quarterly Investment
Report
1st Quarter
1/1/2022 – 3/31/2022**



North Dakota Public Employees Retirement System
1600 East Century Ave, Suite 2
Box 1657
Bismarck, ND 58502

457 & 401(a) Investment Structure

NDPERS 457 DC Plan		
Tier I - Asset Allocation	Tier II - Core	Tier III - Specialty Options
Target Date TIAA-CREF Lifecycle Retirement 5-Year Increments	Capital Preservation Wells Fargo Stable Value J Vanguard Treasury MM Inv	
	Domestic Fixed Income Vanguard Total Bond Index Adm Baird Core Plus Bond Investor MM Premier Int'l Pr and Inc Srvc PGIM High Yield Fund Z Templeton Global Bond Advisor	
	Large Cap U.S. Equity Franklin Growth Fund Advisor Wells Fargo Growth Adm Vanguard Dividend Growth Inv Vanguard Institutional Index Hartford Dividend and Growth R5 T. Rowe Price Equity Income	
	Mid Cap U.S. Equity PGIM Jennison Mid-Cap Growth Z Columbia Mid Cap Index Fund A Virtus Ceredex Mid Cap Value I	
	Small Cap U.S. Equity Brown Small Company Fund Inv DFA U.S. Small Cap Inst'l Northern Small Cap Value Fund	
	International Equity AF New Perspective R4 Vanguard Total Int'l Stock Adm Invesco Developing Markets Y	
		Sector Funds Cohen & Steers Realty Shares
		Brokerage Window

Plan Performance Monitoring

As of March 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Asset Allocation Funds					
TIAA-CREF Lifecycle Ret. Inc	(5.03%)	0.54%	6.58%	6.02%	5.27%
LifeCycle Ret Income CB	(4.91%)	1.42%	7.53%	6.68%	5.72%
Callan Tgt Dt Idx 2010	(4.51%)	1.74%	6.90%	6.25%	5.39%
TIAA-CREF Lifecycle Ret. 2010	(5.01%)	0.39%	6.59%	6.10%	5.38%
LifeCycle 2010 CB	(4.88%)	1.33%	7.46%	6.73%	5.81%
Callan Tgt Dt Idx 2010	(4.51%)	1.74%	6.90%	6.25%	5.39%
TIAA-CREF Lifecycle Ret. 2015	(5.14%)	0.68%	7.13%	6.57%	5.78%
LifeCycle 2015 Cust Bnch	(5.00%)	1.75%	8.08%	7.26%	6.27%
CAI Tgt Dt Idx 2015	(4.58%)	2.05%	7.32%	6.63%	5.70%
TIAA-CREF Lifecycle Ret. 2020	(5.44%)	0.82%	7.60%	7.06%	6.20%
LifeCycle 2020 Cust Bnchm	(5.13%)	2.19%	8.75%	7.87%	6.80%
CAI Tgt Dt Idx 2020	(4.66%)	2.47%	7.98%	7.24%	6.26%
TIAA-CREF Lifecycle Ret. 2025	(5.66%)	1.23%	8.51%	7.80%	6.80%
LifeCycle 2025 Cust Bnch	(5.24%)	2.81%	9.62%	8.62%	7.45%
CAI Tgt Dt Idx 2025	(4.80%)	3.27%	9.07%	8.16%	7.04%
TIAA-CREF Lifecycle Ret. 2030	(5.97%)	1.69%	9.41%	8.55%	7.42%
LifeCycle 2030 Cust Bnch	(5.35%)	3.55%	10.60%	9.44%	8.15%
CAI Tgt Dt Idx 2030	(4.93%)	4.14%	10.19%	9.08%	7.83%
TIAA-CREF Lifecycle Ret. 2035	(6.20%)	2.14%	10.33%	9.29%	8.01%
LifeCycle 2035 Cust Bnch	(5.46%)	4.29%	11.56%	10.24%	8.82%
CAI Tgt Dt Idx 2035	(4.98%)	5.15%	11.29%	9.94%	8.53%
TIAA-CREF Lifecycle Ret. 2040	(6.40%)	2.66%	11.25%	10.00%	8.58%
LifeCycle 2040 Cust Bnch	(5.47%)	5.16%	12.55%	11.03%	9.50%
CAI Tgt Dt Idx 2040	(5.01%)	5.93%	12.11%	10.56%	9.04%
TIAA-CREF Lifecycle Ret. 2045	(6.55%)	3.25%	12.19%	10.63%	9.09%
LifeCycle 2045 Cust Bnch	(5.44%)	6.09%	13.57%	11.74%	10.07%
CAI Tgt Dt Idx 2045	(5.04%)	6.46%	12.66%	10.96%	9.35%
TIAA-CREF Lifecycle Ret. 2050	(6.60%)	3.47%	12.42%	10.79%	9.23%
LifeCycle 2050 Cust Bnch	(5.42%)	6.41%	13.84%	11.93%	10.25%
CAI Tgt Dt Idx 2050	(5.05%)	6.69%	12.89%	11.12%	9.48%
TIAA-CREF Lifecycle Ret. 2055	(6.66%)	3.51%	12.53%	10.88%	9.31%
LifeCycle 2055 Cust Bnch	(5.41%)	6.56%	14.00%	12.05%	10.37%
CAI Tgt Dt Idx 2055	(5.06%)	6.78%	12.98%	11.19%	9.54%
TIAA-CREF Lifecycle Ret. 2060	(6.65%)	3.64%	12.70%	10.99%	9.42%
LifeCycle 2060 Cust Bnch	(5.41%)	6.71%	14.15%	12.18%	10.50%
Callan Tgt Dt Idx 2055	(5.06%)	6.78%	12.98%	11.19%	9.54%
T. Rowe Capital Appreciation Adv	(3.01%)	10.20%	14.48%	12.97%	11.40%
S&P 500 Index	(4.60%)	15.65%	18.92%	15.99%	14.01%



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NDPERS Quarterly Performance Review

Plan Performance Monitoring

As of March 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Franklin Growth Fund Advisor S&P 500 Index	(9.93%) (4.60%)	7.82% 15.65%	18.30% 18.92%	16.76% 15.99%	14.15% 14.01%
Wells Fargo Growth Adm Russell 3000 Growth Index	(14.04%) (9.25%)	(5.26%) 12.86%	16.54% 22.68%	18.07% 20.16%	13.95% 16.72%
Vanguard Dividend Growth Inv S&P 500 Index	(2.04%) (4.60%)	17.30% 15.65%	16.38% 18.92%	15.17% 15.99%	12.96% 14.01%
Vanguard Institutional Index S&P 500 Index	(4.60%) (4.60%)	15.60% 15.65%	18.90% 18.92%	15.96% 15.99%	13.98% 14.01%
Hartford Dividend and Growth R5 S&P 500 Index	(0.89%) (4.60%)	17.77% 15.65%	17.36% 18.92%	14.07% 15.99%	12.50% 14.01%
T. Rowe Price Equity Income Russell 1000 Value Index	2.58% (0.74%)	13.70% 11.67%	14.21% 13.02%	11.02% 10.29%	10.09% 9.73%
Mid Cap U.S. Equity					
PGIM Jennison Mid-Cap Growth Z Russell MidCap Growth Idx	(10.17%) (12.58%)	(0.74%) (0.89%)	18.03% 14.81%	15.35% 15.10%	11.34% 11.89%
Columbia Mid Cap Index Fund A S&P Mid Cap 400 Index	(5.00%) (4.88%)	4.12% 4.59%	13.59% 14.14%	10.58% 11.10%	9.68% 10.20%
Virtus Ceredex Mid-Cap Value I Russell MidCap Value Idx	(6.19%) (1.82%)	8.54% 11.45%	11.64% 13.69%	9.27% 9.99%	9.13% 9.30%
Small Cap U.S. Equity					
Brown Small Company Fund Investor Russell 2000 Growth Index	(14.20%) (12.63%)	(12.41%) (14.33%)	8.92% 9.88%	12.67% 10.33%	12.09% 8.52%
DFA U.S. Small Cap Inst'l Russell 2000 Index	(5.96%) (7.53%)	3.77% (5.79%)	13.93% 11.74%	9.79% 9.74%	9.19% 8.87%
Northern Small Cap Value Fund Russell 2000 Value Index	(2.82%) (2.40%)	3.28% 3.32%	9.44% 12.73%	6.25% 8.57%	7.01% 8.77%
Non-U.S. Equity					
AF New Perspective R4 MSCI ACWI	(10.05%) (5.36%)	3.61% 7.28%	17.24% 13.75%	15.24% 11.64%	12.49% 9.67%
Vanguard Total Int'l Stock Adm FTSE GI All Cap ex US Idx	(6.08%) (5.30%)	(1.85%) (0.72%)	7.76% 8.21%	6.78% 7.08%	5.45% 5.65%
Invesco Developing Markets Y MSCI EM	(15.72%) (6.97%)	(22.47%) (11.37%)	0.53% 4.94%	4.11% 5.98%	3.48% 4.69%



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NDPERS Quarterly Performance Review

Plan Performance Monitoring

As of March 31, 2022

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Fixed Income					
Vanguard Total Bond Index Adm	(5.99%)	(4.09%)	1.69%	2.12%	1.84%
Bimbg:Aggregate Flt Adj	(6.01%)	(4.08%)	1.75%	2.19%	1.90%
Baird Core Plus Bond Investor	(6.25%)	(4.36%)	2.14%	2.48%	2.30%
Bimbg:Univ ersal	(6.11%)	(4.23%)	1.85%	2.31%	2.18%
MM Premier Infi-Pr and Inc Srv c	(3.49%)	3.76%	6.10%	4.33%	3.53%
Bimbg:TIPS	(3.02%)	4.29%	6.22%	4.43%	3.58%
PGIM High Yield Fund Z	(4.69%)	(0.27%)	4.98%	5.12%	5.43%
Bimbg HY Corp 1% Iss Cap	(4.76%)	(0.71%)	4.38%	4.55%	4.93%
Templeton Global Bond Advisor	1.21%	(0.84%)	(2.96%)	(1.50%)	(0.14%)
FTSE WGBI	(6.46%)	(7.74%)	(0.09%)	1.27%	1.20%
Capital Preservation					
Wells Fargo Stable Value J	0.28%	1.19%	1.80%	1.61%	1.41%
3-month Treasury Bill	0.04%	0.06%	0.81%	1.13%	0.87%
Vanguard Treasury MM Inv	0.02%	0.03%	0.68%	1.02%	0.78%
3-month Treasury Bill	0.04%	0.06%	0.81%	1.13%	0.87%
Sector Funds					
Cohen & Steers Realty Shares	(5.97%)	23.51%	13.88%	11.84%	9.38%
FTSE NAREIT All Eq Index	(5.26%)	23.58%	11.72%	10.69%	9.02%



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NDPERS Quarterly Performance Review

Active Manager Monitoring Summary

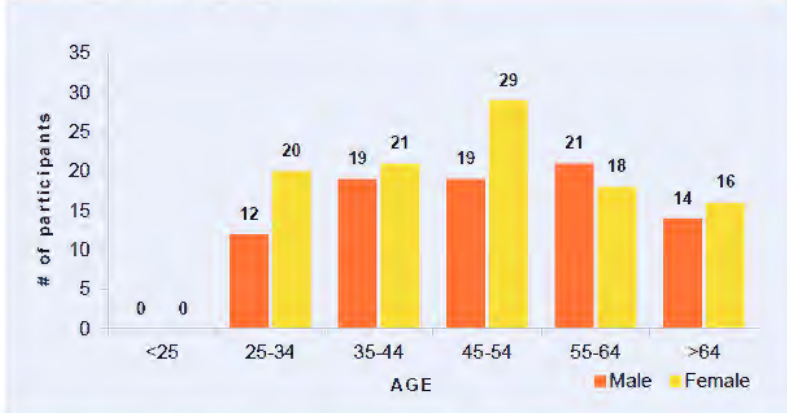
As of March 31, 2022

Manager	Above Benchmark			Above Peer Median		Qualitative Assessment					Overall Eval.
	8 Straight Quarters	3-Year Period	5-Year Period	3-Year Period	5-Year Period	Firm	Team	Process	Perf.	Product	
Large U.S. Equity											
Franklin Growth Fund	Yes	No	Yes	No	No						Stable
Wells Fargo Growth	Yes	No	No	No	No						On Watch
Vanguard Dividend Growth	Yes	No	No	No	Yes						Stable
Hartford Dividend and Growth	Yes	No	No	Yes	Yes						Stable
T. Rowe Price Equity Income	Yes	Yes	Yes	Yes	Yes						Stable
Mid U.S. Equity											
PGIM Jennison Mid-Cap Growth	Yes	Yes	Yes	Yes	No						Stable
Virtus Ceredex Mid-Cap Value	Yes	No	No	No	No						Stable
Small U.S. Equity											
Brown Small Compay Fund	Yes	No	Yes	No	No						Stable
DFA U.S. Small Cap	Yes	Yes	Yes	Yes	No						Stable
Northern Small Cap Value Fund	Yes	No	No	No	No						Stable
Global Equity											
AF New Perspective	Yes	Yes	Yes	Yes	Yes						Stable
Invesco Developing Markets	Yes	No	No	No	No						Stable
Fixed Income											
Baird Core Plus Bond	Yes	Yes	Yes	Yes	Yes						Stable
MM Premier Infl-Pr and Inc Srvc	Yes	No	No	Yes	Yes						Stable
PGIM High Yield Fund	Yes	Yes	Yes	Yes	Yes						Stable
Templeton Global Bond	Yes	No	No	No	No						On Watch
Sector Fund											
Cohen & Steers Realty Shares	Yes	Yes	Yes	Yes	Yes						Stable

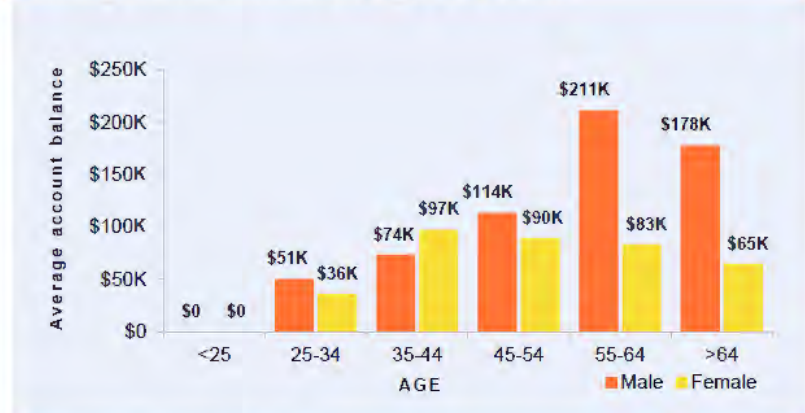
Assessment	Status and Actions
Stable 	Firm, Team, Strategy are performing as expected
In Review 	Callan is proposing that the fund be added to the watchlist
On Watch 	Staff is reviewing strategy with consultant and scheduling an update meeting with manager
Terminating 	Following staff review and consultant recommendation, manager will be terminated following a successful replacement search

Employee summary: Gender and age¹

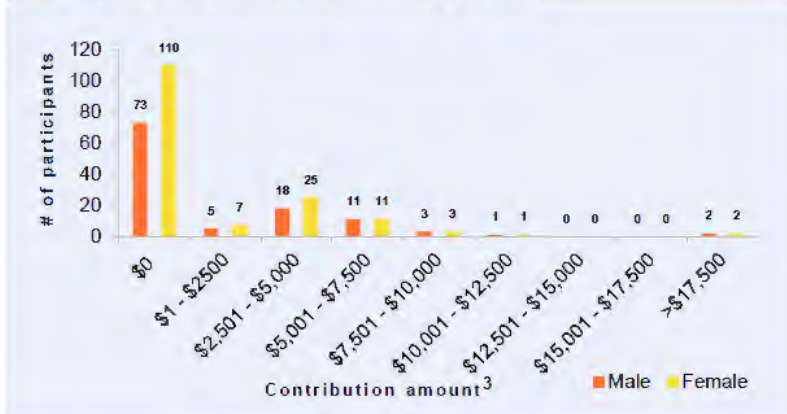
Demographics by Age and Gender



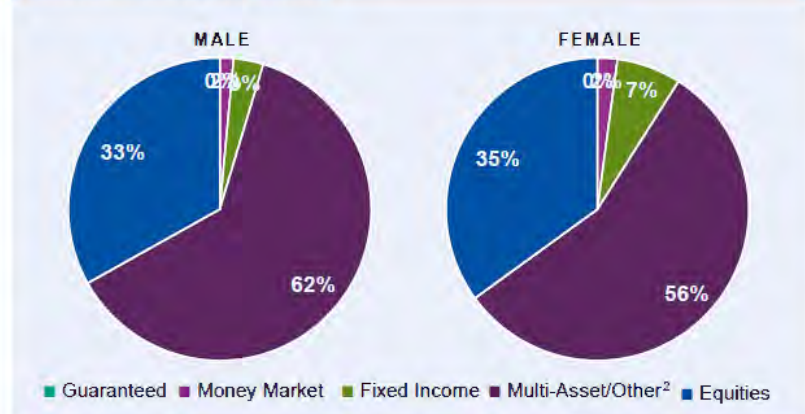
Average Account Balance by Age and Gender



Employee Contribution Amounts by Gender



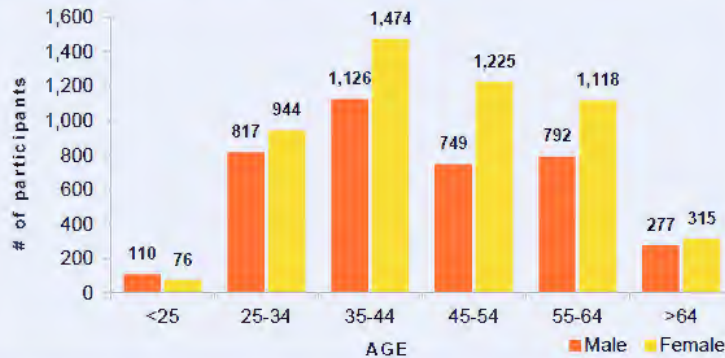
Diversification by Gender



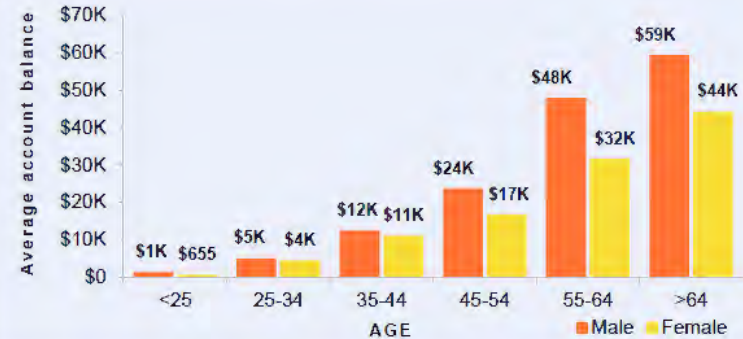
This report is as of the period ending 03/31/2022 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 2 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

Employee summary: Gender and age¹

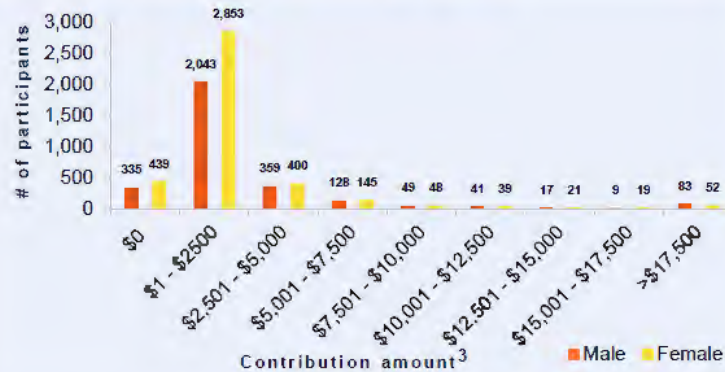
Demographics by Age and Gender



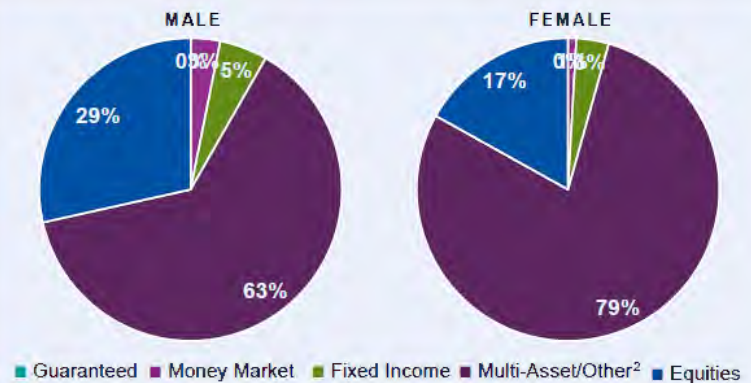
Average Account Balance by Age and Gender



Employee Contribution Amounts by Gender



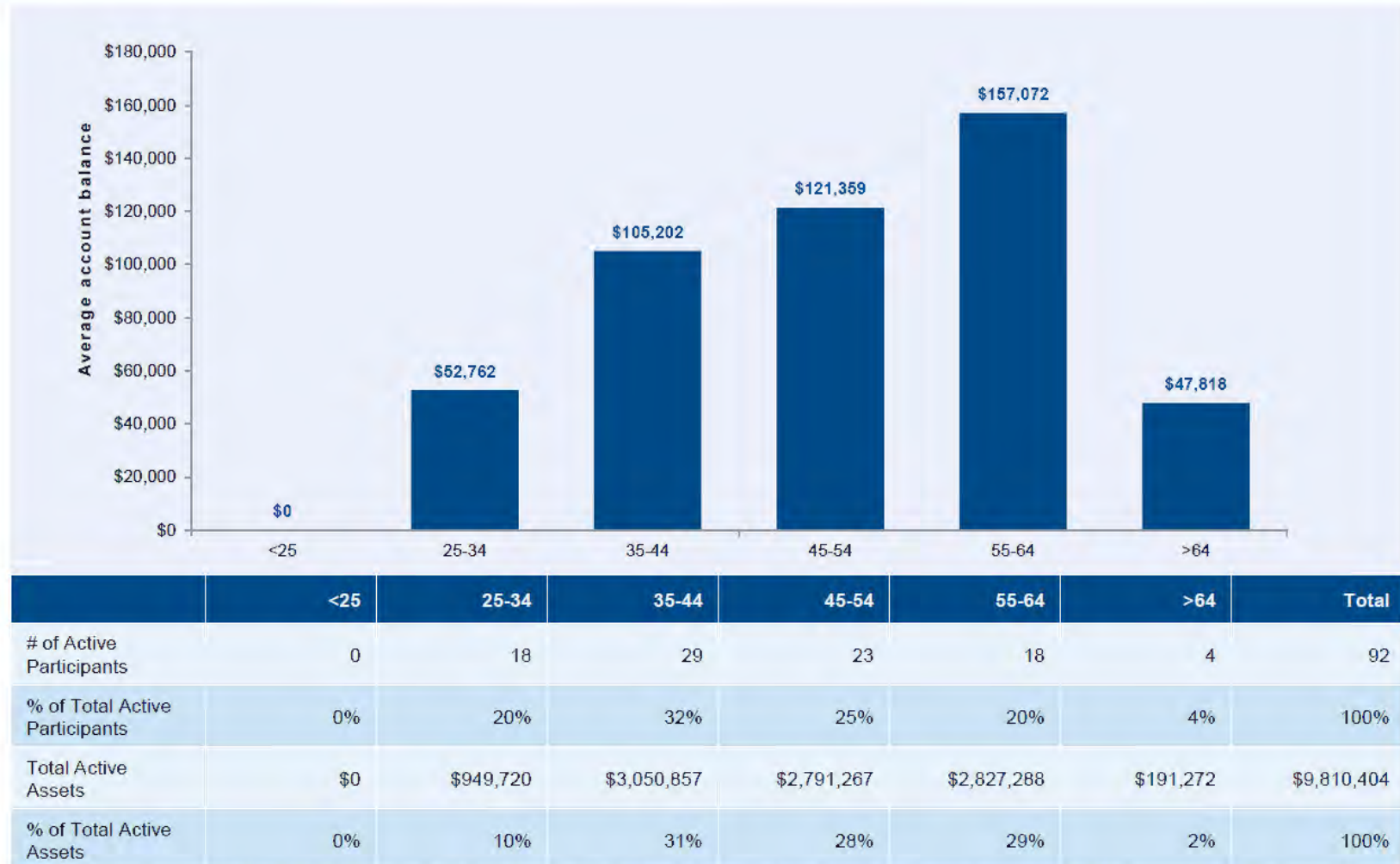
Diversification by Gender



This report is as of the period ending 03/31/2022 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 275 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

NORTH DAKOTA PERS 401A DEFINED CONTRIBUTION PLAN

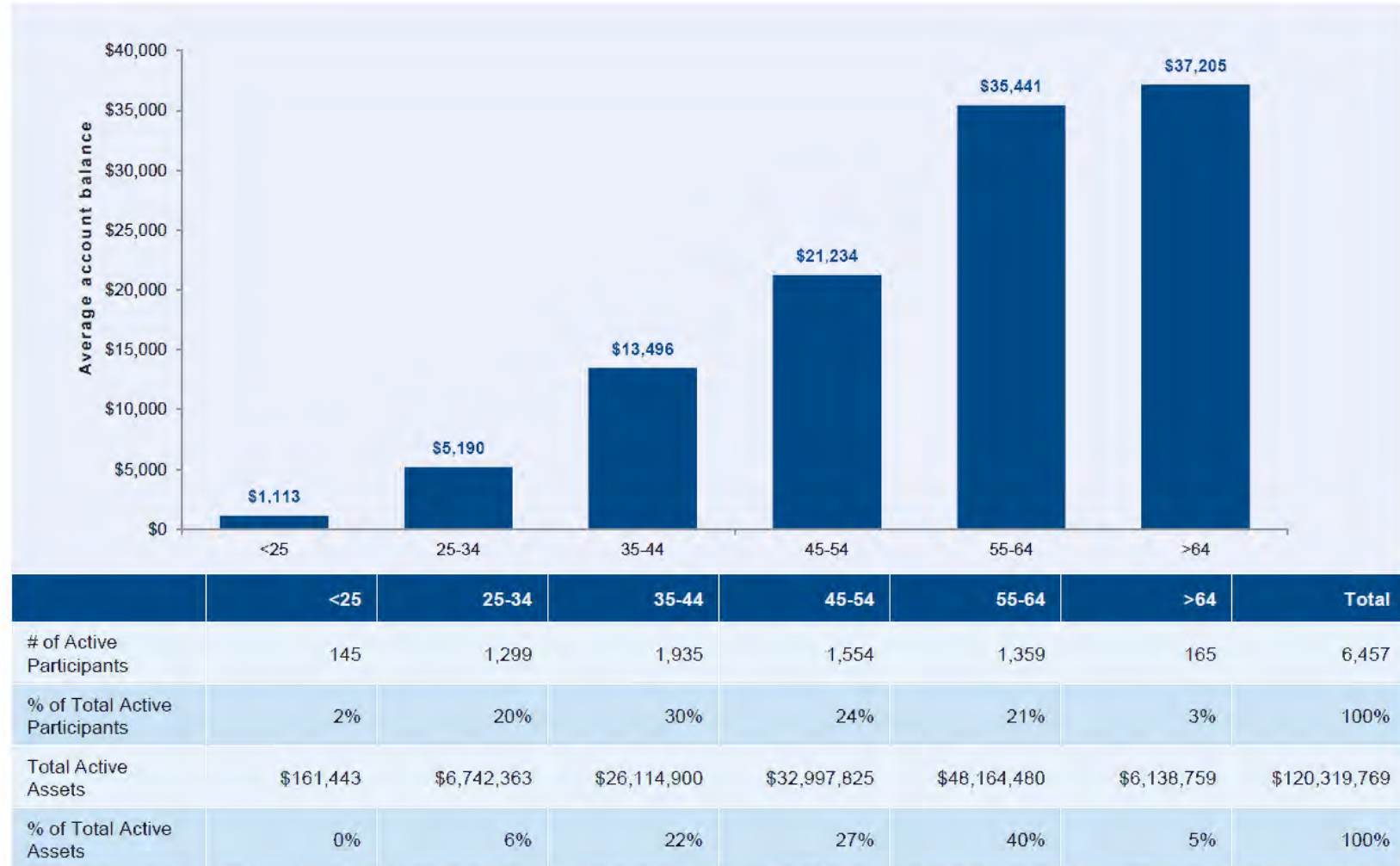
Active participants: Average account balance by age



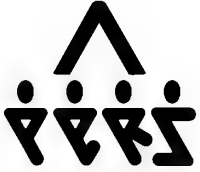
This report is as of the period ending 03/31/2022 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

Active participants: Average account balance by age



This report is as of the period ending 03/31/2022 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans.



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: Investment Consultant Renewal or RFP

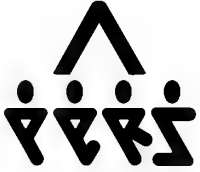
Effective January 1, 2021, Callan was awarded the bid for the 401(a)/457 Defined Contribution Plan consulting services. That contract was a two-year contract, with two additional two-year renewal options. The initial two-year contract will terminate on December 31, 2022, absent a renewal.

Callan is proposing a 3% annual increase in fees for services. Currently, Callan is operating on a fixed fee basis of \$99,600 a biennium for consulting services, and \$48,000 for the record keeper search. A 3% increase would bring those fees to \$51,294 for 2023 and \$52,832 for 2024. On the record keeper search, the fees would increase to \$49,440 or \$50,923.20 depending on if the work effort would take place during 2023 or 2024.

If the Board opts not to renew with Callan, staff will begin preparations for the 401(a)/457 Defined Contribution Plan Consultant Request for Proposal and will bring it to the Board for approval at a future meeting.

Board Action Requested:

Consider whether to renew with Callan for the two-year period starting January 1, 2023.



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Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: 401(a) & 457 Statement of Investment Policies

Callan reviewed our existing Statements of Investment Policies for both the 401(a) Defined Contribution and the 457 Deferred Compensation plans. The Investment Subcommittee reviewed their proposed changes at the May 2022 Investment Subcommittee meeting and agreed with Callan's recommendations. These revisions are being presented to the full Board for consideration, and we are seeking approval for Callan's revisions to the investment policies.

Board Action Requested:

Approve the updated 401(a) & 457 Investment Policies

STATE OF NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM
DEFERRED COMPENSATION
457(b) COMPANION PLAN
PROGRAM

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~~PUBLIC EMPLOYEES~~
~~RETIREMENT SYSTEM~~
~~COMPANION PLAN~~

Statement of Investment Policy

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| Board Adopted ~~July 2020~~Month Year

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INTRODUCTION

The Public Employees Retirement System Board (Board) hereby adopts this Statement of Investment Policy for the Deferred Compensation 457(b) Companion Plan (Plan).

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Objectives of the Plan

The Plan is a long-term retirement savings option intended as a source of retirement income for eligible participants. The investment options available from the Plan are intended to cover a broad range of investment risks and rewards typical of this kind of retirement savings program. Participants bear the risks and reap the rewards of investment returns that result from the investment options which they select.

This Statement of Investment Policy:

- Establishes the parameters of an investment program that will allow plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances;
- Identify the roles and responsibilities of the Plan fiduciaries;
- Defines the investment categories offered by the Plan;
- Establishes benchmarks and performance standards for each investment category by which to evaluate each fund's performance;
- Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance; and
- Defines the procedures for investment fund evaluation and formal fund review.

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PRUDENCE, ETHICS, AND CONFLICTS OF INTEREST

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All fiduciaries involved in the investment process shall act responsibly and without conflict with other business or personal interests. The standard of prudence to be applied to the Board of Trustees, Staff, the Investment Sub-committee, the Investment Consultant, each Investment Manager, the Recordkeeper, and each other fiduciaries of the Plan shall be the "prudent investor" rule. This rule requires each fiduciary to manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Plan. In satisfying this standard, the fiduciary shall exercise reasonable care, skill, and caution. A fiduciary's investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the Plan as a whole.

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ROLES AND RESPONSIBILITIES

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Board of Trustees

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The responsibility for the Plan rests with the NDPERS Board of Trustees (Board). The Board has delegated responsibility for the overall management of the investment program to the Investment Subcommittee. The Committee has delegated day-to-day supervisory and operating responsibilities to NDPERS Staff, ~~the investment consultant, and the recordkeeper.~~

Staff

Staff is responsible for the day-to-day management of the plan; for bringing relevant issues to the attention of the Investment Subcommittee; and for working with various service providers to implement the decisions made by the Investment Subcommittee and Board. Specifically, the staff is responsible for the following:

- Managing and monitoring plan activity;
- Coordinating the Investment Subcommittee meetings, investment manager presentations and discussions, and investment consultant activities, presentations, and discussions with the Investment Subcommittee;
- Identifying issues to be brought before the Investment Subcommittee and preparing recommendations to the Investment Subcommittee on those matters;
- Providing information to the plan's recordkeeper as appropriate; and,
- Verifying compliance with guidelines and regulations.

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Investment Subcommittee

The Investment Subcommittee (Subcommittee) is broadly responsible to oversee the administration of the plan and the investment of plan assets. Its duties include establishing and reviewing the investment policy as well as making recommendations to the Board. On a quarterly basis, the Subcommittee will review total Plan performance as well as the performance of the underlying investment options. Also on a quarterly basis, the Subcommittee will meet with the recordkeeper regarding investment education.

The Subcommittee will also review the expense ratios of each investment option, as well as all other expense items charged to each investment option to determine whether such expenses are reasonable and appropriate.

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Staff

Staff is responsible for the day-to-day management of the plan; for bringing relevant issues to the attention of the Subcommittee; and for working with various service providers to implement the decisions made by the Subcommittee and Board. Specifically, the staff is responsible for the following:

- ~~Managing and monitoring plan activity;~~
- ~~Coordinating the Subcommittee meetings, investment manager presentations and discussions, and investment consultant activities, presentations and discussions with the Subcommittee;~~
- ~~Identifying issues to be brought before the Subcommittee and preparing recommendations to the Subcommittee on those matters;~~
- ~~Providing information to the plan's recordkeeper as appropriate;~~
- ~~Verifying compliance with guidelines and regulations.~~

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Investment Consultant

The primary role of the investment consultant is to assist the Subcommittee and staff in fulfilling their responsibilities by providing information, analysis, and recommendations that support a prudent process. The responsibilities of the investment consultants are as follows:

- Provide perspectives on capital markets;
- Periodically review investment policies and objectives;
- Research and recommend structure and investments that are appropriate in furthering the plan's investment policies and objectives;
- Recommend appropriate performance measures and benchmarks and report on the effectiveness of those adopted;
- Maintain contact with and report on changes within the investment manager organizations (including the gain or loss of key individuals and accounts); ~~and~~
- Measure, evaluate, and report investment managers' performance results; ~~and~~
- Monitor recordkeeper and investment option expenses in the context of services provided; ~~and~~
- Report quarterly to the Investment Subcommittee.

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Investment Managers

The specific duties and responsibilities of each of the Plan's investment managers are to manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective prospectuses, participation agreements or other governing documents (e.g., Investment Management Agreements).

Managers should be responsive to the Subcommittee, consultant, or staff and provide information as necessary.

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SELECTION OF INVESTMENT OPTIONS

Each investment option offered under the Plan must:

- Operate under its published prospectus and/or or other governing documents (e.g., Investment Management Agreements);
- Have its performance results measured against the applicable performance standards described herein for that investment category.

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The Board may add or replace investment options in any category using any or all of the following general criteria:

- A. Historical risk and performance over a reasonable time frame.
- B. Investment manager performance and tenure.
- C. Costs, including the expense ratio and any other fees.

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D. Ownership or key personnel changes.

E. Changes in the decision-making process or investment philosophy.

F. Changes in portfolio characteristics that are inconsistent with expectations.

G. Involvement in material litigation or fraud

Mutual fund options are selected through a comprehensive search process. ~~Generally, the Board will first review the suitable offerings from the vendor's alliance family of funds.~~ Absent a competitive offering from the vendor's list of alliance funds, the Board will select from qualified non-alliance funds.

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INVESTMENT CATEGORIES:

The Board in its judgment selects the number, types, and status of individual investment offerings. In general, the Board will seek to offer a sufficient number of investment funds to allow each participant the ability to construct a diversified portfolio consistent with his/her ~~reasonable risk tolerance and time horizon investment objective. The selection and elimination of investment options will be guided by the following philosophies and principles:~~

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~~A. The menu of offerings will be sufficient to allow each participant the ability to construct a diversified portfolio consistent with a reasonable investment goal. (See Appendix 1 for a classification of the current offerings.) The menu will include at least one offering in each of the following asset categories:~~

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~~• Stable Value Account~~

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- Fixed Income
- Balanced
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity
- Asset Allocation

~~B. Within the domestic equity categories, the offerings may include funds that represent style subsets (value, growth, blend) of the broad market.~~

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~~C. The offerings will include funds that offer pre-determined asset allocations of various risk tolerances or investment horizons.~~

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C. The self-directed brokerage option is designed for a sophisticated, experienced and knowledgeable investor. Participants selecting this option will be required to sign an election form containing the following:

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(a) The participant understands and accepts any and all risks associated with this

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selection;

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(b) The participant understands and accepts that none of the ~~mutual funds~~ investment options available in the self-directed brokerage option have been reviewed for suitability by the Board;

(c) The participant is solely responsible for determining the suitability or appropriateness of any selected ~~mutual fund~~ investment option; and,

(d) The participant agrees to hold the Plan and the Board harmless for any negative consequences resulting from use of the self-directed brokerage option.

REPORTING AND MONITORING PROCEDURES

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~~The Board will designate the status of each investment fund offered as either open or closed:~~

- ~~▪ **Open** – Eligible for new investments.~~
- ~~▪ **Closed** – Not eligible for new contributions, not eligible for the establishment of new accounts, and may require the existing accounts be transferred.~~

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INVESTMENT FUND EVALUATION

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The Board will at least annually review the plan and its investment funds, including investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering funds with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 5 years). The Board will also review the fund's investment style relative to its mandate and the stability of the personnel responsible for investment results. As the investment funds are ~~retail~~ mutual funds, the Board may rely on ratings produced by recognized performance evaluation services to evaluate long-term risk-adjusted performance relative to peers. Except for

the annual review, the Board may delegate these duties to ~~its~~ the investment Investment subSub-committee. -The NDPERS Board will make the performance review available for the membership.

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For performance benchmarks on current offerings, see *Appendix 1*. Funds meeting performance standards and policy objectives will be designated as open.

- A. Funds rated as not meeting performance standards and policy objectives will, at the Board's discretion, ~~either,~~ be placed ~~in a closed status or~~ on a "formal fund review list".
- B. The Board, at its discretion, may remove funds from the "formal fund review list" should the fund's performance recover sufficiently to meet performance standards.
- C. Funds that do not meet performance standards and/or policy objectives may be ~~placed in the "Closed" status.~~ terminated.
- D. Failure by a fund to comply with these policy objectives and guidelines is cause for the Board to place the fund under "formal fund review" or ~~close~~ terminate the fund.

The Board may also place a fund under formal fund review, or ~~immediately close~~ terminate ~~a fund,~~ it for any of the following

reasons, including:

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- A. The fund has made significant changes in its investment management, or such ~~change~~ change appears imminent;
- B. The fund has had a significant change in ownership or control;
- C. The fund has significantly changed investment focus or has experienced style drift, departing from the investment objectives;
- D. The fund has violated a SEC rule or regulation;

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- E. The fund has experienced difficulty in transacting trades, fund transfers, or pricing;
- F. The fund has experienced other changes or problems in its procedures, operations, investing, or reporting which, in the Board's view, has or could detract from the objectives of the Plan;
- G. The fund has increased its fees or expenses;
- H. Other reasons the NDPERS Board deems requires such action.

The Board retains the right to waive any of the above policies if it deems that such waiver

is in the best interest of the plan and/or its participants.

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FORMAL FUND REVIEW

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When a fund has been placed under formal review, the Board shall monitor the fund, its operations, and its performance. ~~During this period the Board may close the fund.~~

~~CLOSED-TERMINATED FUNDS~~

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~~When the Board closes a fund it may direct that:~~

- ~~A. No new contributions may be made to the fund after a specified date;~~
- ~~B. The fund is terminated and participant account balances must be transferred to another fund option.~~

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~~If the Board closes a fund to new contributions it shall:~~

- ~~A. Promptly notify the Plan provider;~~
- ~~B. Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund of the Board's action and if applicable that new~~

~~investment monies must be redirected to another fund option under the Plan within a time specified by the Board.~~

If the Board ~~closes~~ terminates a fund ~~by terminating its participation in the plan and requires all account balances to be transferred to another fund~~ it shall:

- A. Promptly notify the Plan provider;
- B. Promptly notify plan participants who are currently investing in the fund or who have assets in the ~~closed~~ fund that the Board has terminated the fund as an investment option under the Plan and that:
 - New investment monies must be redirected to another fund option under the Plan within a time specified by the Board and;
 - After 90 ~~days notice~~ days' notice to an affected member by the Board, all assets remaining in the terminated fund will be transferred to the default option designated by the Board.

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TARGET DATE SUITABILITY

~~The Committee will engage in periodic evaluation of the Plan's target date fund ("TDF"), by appraising the suitability of the target date glide path based on the Plan's underlying demographics and design. The evaluation process might include the following factors and/or others that the Committee determines appropriate:~~

- A. Consideration of how well the TDF's characteristics align with eligible employees' ages and likely retirement as well as other characteristics of the participant population.
- B. Examination of whether there have been any significant changes in the Plan, the participant population, or the TDF under examination.

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- C. Understanding of the TDF's investments—the allocation in different asset classes (stocks, bonds, cash), individual investments, and how these will change over time,
- D. Review the TDF's fees and investment expenses,
- E. Inquiry into whether a custom or non-proprietary TDF would be a good fit for the Plan,

SELF-DIRECTED BROKERAGE ACCOUNT PROVIDER SELECTION

In selecting a self-directed brokerage account provider, the Committee will evaluate and monitor fees, including annual maintenance charges and trading costs. In addition, the self-directed brokerage provider will be required to provide appropriate services, such as trading, transactional oversight, and customer service. Because the self-directed brokerage account is not a designated investment account within the plan, the Committee will not monitor the individual investments or their expenses within the self-directed brokerage account,

FEE PAYMENT POLICY

The Committee will seek to provide participants with access to high-quality investment options with reasonable investment management and administrative expenses relative to services provided,

Investment management expenses will be reviewed periodically to determine whether a lower-cost share class or investment vehicle is available and feasible.

Regarding fees for plan administration;

- Participants will pay for the administration of the Plan, and for their own individual transactions,
- It is the policy of the Committee that excess revenue sharing generated by the

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Plan's investment options will be reimbursed to participants.

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▪ Float income earned on the invested balances of administrative accounts will be retained by the Plan to reduce expenses charged to participants, net of reasonable investment management expenses.

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▪ Loan, withdrawal, QDRO and other transaction fees will be determined based on the administrative expense of providing these transactions.

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The Committee will work with the Investment Consultant to evaluate investment costs and administrative fees on a periodic basis. This information will be benchmarked appropriately.

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APPENDIX 1

457(b) Companion Plan Investment Options by Investment Category

Fund	Mandate	Benchmark
Balanced		
T.Rowe Price Capital Appreciation	Balanced	S&P 500
Asset Allocation		
TIAA-CREF Lifecycle Fund Series	Target Date Fund	Lifecycle Custom Benchmarks
Large Cap US Equity		
Franklin Growth Fund Advisor	Large Cap Growth	S&P 500
Wells Fargo Growth Adm	All Cap Growth	Russell 3000 Growth Index
Vanguard Dividend Growth Inv	Large Cap Core	S&P U.S. Dividend Growers Index
Vanguard Institutional Index	Passive Large Cap Core	S&P 500
Hartford Dividend and Growth R5	Large Cap Value	S&P 500
T. Rowe Price Equity Income	Large Cap Value	Russell 1000 Value Index
Mid Cap US Equity		
PGIM Jennison Mid-Cap Growth Z	Mid Cap Growth	Russell MidCap Growth Index
Columbia Mid Cap Index Fund A	Mid Cap Core	S&P MidCap 400 Index
Virtus Ceredex Mid-Cap Value I	Mid Cap Value	Russell MidCap Value Index
Small Cap US Equity		
Brown Small Compay Fund Investor	Small Cap Growth	Russell 2000 Growth Index
DFA U.S. Small Cap Inst'l	Small Cap Core	Russell 2000 Index
Northern Small Cap Value Fund	Small Cap Value	Russell 2000 Value Index
Global Equities		
American Funds New Perspective R4	Large Global Growth	MSCI ACWI
Vanguard Total Int'l Stock Adm	International Large Core	FTSE Global All Cap ex US Index
Invesco Developing Markets Y	Emerging Markets	MSCI EM

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Fixed Income			Formatted: Font: (Default) Arial
Vanguard Total Bond Index Adm	Passive Core	Bloomberg Aggregate Flt Adj	Formatted: Line spacing: 1.5 lines
Baird Core Plus Bond Investor	Core Plus	Bloomberg Universal	Formatted: Line spacing: 1.5 lines
MassMutual Premier Inflation Protection	Inflation Protected	Bloomberg TIPS	Formatted: Line spacing: 1.5 lines
PGIM High Yield Fund Z	High Yield	Bloomberg U.S. Corporate High Yield 1% Issuer Capped Index	Formatted: Line spacing: 1.5 lines
Templeton Global Bond Advisor	Global	FTSE WGBI	Formatted: Line spacing: 1.5 lines
Capital Preservation			Formatted: Line spacing: 1.5 lines
Wells Fargo Stable Value J	Stable Value	3-month Tbill	Formatted: Line spacing: 1.5 lines
Vanguard Treasury MM Inv	Money Market	3-month Tbill	Formatted: Line spacing: 1.5 lines
Real Estate			Formatted: Line spacing: 1.5 lines
Cohen & Steers Realty Shares	REIT	FTSE NAREIT All Equity Index	Formatted: Line spacing: 1.5 lines
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STATE OF NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM 401(A)
DEFINED CONTRIBUTION
PROGRAM

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PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Statement of Investment Policy

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Board Adopted: MONTH YEAR

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INTRODUCTION

The Public Employees Retirement System Board (Board) hereby adopts this Statement of Investment Policy for the 401(a) Defined Contribution Plan (Plan).

Objectives of the Plan

The Plan is a long-term retirement savings option intended as a source of retirement income for eligible participants. The investment options available from the Plan are intended to cover a broad range of investment risks and rewards typical of this kind of retirement savings program. Participants bear the risks and reap the rewards of investment returns that result from the investment options which they select.

This Statement of Investment Policy:

- Establishes the parameters of an investment program that will allow plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances;
- Identify the roles and responsibilities of the Plan fiduciaries;
- Defines the investment categories offered by the Plan;
- Establishes benchmarks and performance standards for each investment category by which to evaluate each fund's performance;
- Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance; and,
- Defines the procedures for investment fund evaluation and formal fund review.

PRUDENCE, ETHICS, AND CONFLICTS OF INTEREST

All fiduciaries involved in the investment process shall act responsibly and without conflict

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with other business or personal interests. The standard of prudence to be applied to the Board of Trustees, Staff, the Investment Sub-committee, the Investment Consultant, each Investment Manager, the Recordkeeper, and each other fiduciaries of the Plan shall be the “prudent investor” rule. This rule requires each fiduciary to manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Plan. In satisfying this standard, the fiduciary shall exercise reasonable care, skill, and caution. A fiduciary’s investment and management decisions respecting individual assets must be evaluated not in isolation but in the context of the Plan as a whole.

ROLES AND RESPONSIBILITIES

Board of Trustees

The responsibility for the Plan rests with the NDPERS Board of Trustees (Board). The Board has delegated responsibility for the overall management of the investment program to the Investment Subcommittee. The Committee has delegated day-to-day supervisory and operating responsibilities to NDPERS Staff.

Staff

Staff is responsible for the day-to-day management of the plan; for bringing relevant issues to the attention of the Investment Subcommittee; and for working with various service providers to implement the decisions made by the Investment Subcommittee and Board. Specifically, the staff is responsible for the following:

- Managing and monitoring plan activity;
- Coordinating the Investment Subcommittee meetings, investment manager presentations and discussions, and investment consultant activities, presentations,
and discussions with the Investment Subcommittee;
- Identifying issues to be brought before the Investment Subcommittee and preparing

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recommendations to the Investment Subcommittee on those matters;

- Providing information to the plan's recordkeeper as appropriate; and,
- Verifying compliance with guidelines and regulations.

Investment Subcommittee

The Investment Subcommittee (Subcommittee) is broadly responsible to oversee the administration of the plan and the investment of plan assets. Its duties include establishing and reviewing the investment policy as well as making recommendations to the Board. On a quarterly basis, the Subcommittee will review total Plan performance as well as the performance of the underlying investment options.

The Subcommittee will also review the expense ratios of each investment option, as well as all other expense items charged to each investment option to determine whether such expenses are reasonable and appropriate.

Investment Consultant

The primary role of the investment consultant is to assist the Subcommittee and staff in fulfilling their responsibilities by providing information, analysis, and recommendations that support a prudent process. The responsibilities of the investment consultants are as follows:

- Provide perspectives on capital markets;
- Periodically review investment policies and objectives;
- Research and recommend structure and investments that are appropriate in furthering the plan's investment policies and objectives;

- Recommend appropriate performance measures and benchmarks and report on the effectiveness of those adopted;
- Maintain contact with and report on changes within the investment manager

organizations (including the gain or loss of key individuals and accounts);

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- Measure, evaluate, and report investment managers' performance results;
- Monitor recordkeeper and investment option expenses in the context of services provided; and,
- Report quarterly to the Investment Subcommittee.

Investment Managers

The specific duties and responsibilities of each of the Plan's investment managers are to manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective prospectuses, participation agreements or other governing documents (e.g., Investment Management Agreements).

Managers should be responsive to the Subcommittee, consultant, or staff and provide information as necessary.

SELECTION OF INVESTMENT OPTIONS

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Each investment option offered under the Plan must:

- Operate under its published prospectus and/or or other governing documents (e.g., Investment Management Agreements);
- Have its performance results measured against the applicable performance standards described herein for that investment category.

The Board may add or replace investment options in any category using any or all of the following general criteria:

- A. Historical risk and performance over a reasonable time frame.
- B. Investment manager performance and tenure.
- C. Costs, including the expense ratio and any other fees.

- D. Ownership or key personnel changes.

E. Changes in the decision-making process or investment philosophy.

F. Changes in portfolio characteristics that are inconsistent with expectations.

G. Involvement in material litigation or fraud

Mutual fund options are selected through a comprehensive search process. Absent a competitive offering from the vendor's list of alliance funds, the Board will select from qualified non-alliance funds.

INVESTMENT CATEGORIES

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The Board in its judgment selects the number, types, and status of individual investment offerings. In general, the Board will seek to offer a sufficient number of investment funds to allow each participant the ability to construct a diversified portfolio consistent with his/her risk tolerance and time horizon. (See Appendix 1 for a classification of the current offerings.)

The self-directed brokerage option is designed for a sophisticated, experienced and knowledgeable investor. Participants selecting this option will be required to sign an election form containing the following:

(a) The participant understands and accepts any and all risks associated with this selection

(b) The participant understands and accepts that none of the investment options available in the self-directed brokerage option have been reviewed for suitability by the Board;

(c) The participant is solely responsible for determining the suitability or appropriateness of any selected investment option; and,

(d) The participant agrees to hold the Plan and the Board harmless for any negative consequences resulting from use of the self-directed brokerage option.

INVESTMENT FUND EVALUATION

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The Board will at least annually review the plan and its investment funds, including investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering funds with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 5 years). The Board will also review the fund's investment style relative to its mandate and the stability of the personnel responsible for investment results. As the investment funds are mutual funds, the Board may rely on ratings produced by recognized performance evaluation services to evaluate long-term risk-adjusted performance relative to peers. Except for the annual review, the Board may delegate these duties to the Investment Sub-committee. The NDPERS Board will make the performance review available for the membership.

- A. Funds rated as not meeting performance standards and policy objectives will, at the Board's discretion, be placed on a "formal fund review list".
- B. The Board, at its discretion, may remove funds from the "formal fund review list" should the fund's performance recover sufficiently to meet performance standards.
- C. Funds that do not meet performance standards and/or policy objectives may be terminated.
- D. Failure by a fund to comply with these policy objectives and guidelines is cause for the Board to place the fund under "formal fund review" or terminate the fund.

The Board may also place a fund under formal fund review or terminate it for any of the

following reasons, including:

- A. The fund has made significant changes in its investment management, or such change appears imminent;
- B. The fund has had a significant change in ownership or control;
- C. The fund has significantly changed investment focus or has experienced style drift, departing from the investment objectives;
- D. The fund has violated a SEC rule or regulation;
- E. The fund has experienced difficulty in transacting trades, fund transfers, or pricing;
- F. The fund has experienced other changes or problems in its procedures, operations, investing, or reporting which, in the Board's view, has or could detract from the objectives of the Plan;
- G. The fund has increased its fees or expenses;
- H. Other reasons the NDPERS Board deems requires such action.

The Board retains the right to waive any of the above policies if it deems that such waiver is in the best interest of the plan and/or its participants.

FORMAL FUND REVIEW

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When a fund has been placed under formal review, the Board shall monitor the fund, its operations, and its performance.

TERMINATED FUNDS

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If the Board terminates a fund it shall:

1. Promptly notify the Plan provider;
2. Promptly notify plan participants who are currently investing in the fund or who have assets in the fund that the Board has terminated the fund as an investment option

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under the Plan and that:

- New investment monies must be redirected to another fund option under the Plan within a time specified by the Board and;
- After 90 days' notice to an affected member by the Board, all assets remaining in the terminated fund will be transferred to the default option designated by the Board.

TARGET DATE SUITABILITY

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The Committee will engage in periodic evaluation of the Plan's target date fund ("TDF"), by appraising the suitability of the target date glide path based on the Plan' underlying demographics and design. The evaluation process might include the following factors and/or others that the Committee determines appropriate:

- A. Consideration of how well the TDF's characteristics align with eligible employees' ages and likely retirement as well as other characteristics of the participant population.
- B. Examination of whether there have been any significant changes in the Plan, the participant population, or the TDF under examination.
- C. Understanding of the TDF's investments—the allocation in different asset classes (stocks, bonds, cash), individual investments, and how these will change over time.
- D. Review the TDF's fees and investment expenses.
- E. Inquiry into whether a custom or non-proprietary TDF would be a good fit for the Plan.

SELF-DIRECTED BROKERAGE ACCOUNT PROVIDER SELECTION

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In selecting a self-directed brokerage account provider, the Committee will evaluate and monitor fees, including annual maintenance charges and trading costs. In addition, the self-directed brokerage provider will be required to provide appropriate services, such as

trading, transactional oversight, and customer service. Because the self-directed brokerage

account is not a designated investment account within the plan, the Committee will not monitor the individual investments or their expenses within the self-directed brokerage account.

FEE PAYMENT POLICY

The Committee will seek to provide participants with access to high-quality investment options with reasonable investment management and administrative expenses relative to services provided.

Investment management expenses will be reviewed periodically to determine whether a lower-cost share class or investment vehicle is available and feasible.

Regarding fees for plan administration:

- Participants will pay for the administration of the Plan, and for their own individual transactions.
- It is the policy of the Committee that excess revenue sharing generated by the Plan's investment options will be reimbursed to participants.
- Float income earned on the invested balances of administrative accounts will be retained by the Plan to reduce expenses charged to participants, net of reasonable investment management expenses.
- Loan, withdrawal, QDRO and other transaction fees will be determined based on the administrative expense of providing these transactions.

The Committee will work with the Investment Consultant to evaluate investment costs and administrative fees on a periodic basis. This information will be benchmarked appropriately.

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APPENDIX 1

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457(b) Companion Plan Investment Options by Investment Category

Fund	Mandate	Benchmark
Balanced	-	-
<u>T.Rowe Price Capital Appreciation</u>	<u>Balanced</u>	<u>S&P 500</u>
Asset Allocation	-	-
<u>TIAA-CREF Lifecycle Fund Series</u>	<u>Target Date Fund</u>	<u>Lifecycle Custom Benchmarks</u>
Large Cap US Equity	-	-
<u>Franklin Growth Fund Advisor</u>	<u>Large Cap Growth</u>	<u>S&P 500</u>
<u>Wells Fargo Growth Adm</u>	<u>All Cap Growth</u>	<u>Russell 3000 Growth Index</u>
<u>Vanguard Dividend Growth Inv</u>	<u>Large Cap Core</u>	<u>S&P U.S. Dividend Growers Index</u>
<u>Vanguard Institutional Index</u>	<u>Passive Large Cap Core</u>	<u>S&P 500</u>
<u>Hartford Dividend and Growth R5</u>	<u>Large Cap Value</u>	<u>S&P 500</u>
<u>T. Rowe Price Equity Income</u>	<u>Large Cap Value</u>	<u>Russell 1000 Value Index</u>
Mid Cap US Equity	-	-
<u>PGIM Jennison Mid-Cap Growth Z</u>	<u>Mid Cap Growth</u>	<u>Russell MidCap Growth Index</u>
<u>Columbia Mid Cap Index Fund A</u>	<u>Mid Cap Core</u>	<u>S&P MidCap 400 Index</u>
<u>Virtus Ceredex Mid-Cap Value I</u>	<u>Mid Cap Value</u>	<u>Russell MidCap Value Index</u>
Small Cap US Equity	-	-
<u>Brown Small Compay Fund Investor</u>	<u>Small Cap Growth</u>	<u>Russell 2000 Growth Index</u>
<u>DFA U.S. Small Cap Inst'l</u>	<u>Small Cap Core</u>	<u>Russell 2000 Index</u>
<u>Northern Small Cap Value Fund</u>	<u>Small Cap Value</u>	<u>Russell 2000 Value Index</u>
Global Equities	-	-
<u>American Funds New Perspective R4</u>	<u>Large Global Growth</u>	<u>MSCI ACWI</u>
<u>Vanguard Total Int'l Stock Adm</u>	<u>International Large Core</u>	<u>FTSE Global All Cap ex US Index</u>
<u>Invesco Developing Markets Y</u>	<u>Emerging Markets</u>	<u>MSCI EM</u>

Fixed Income	-	-
Vanguard Total Bond Index Adm	Passive Core	Bloomberg Aggregate Flt Adj
Baird Core Plus Bond Investor	Core Plus	Bloomberg Universal
MassMutual Premier Inflation Protection	Inflation Protected	Bloomberg TIPS
PGIM High Yield Fund Z	High Yield	Bloomberg U.S. Corporate High Yield 1% Issuer Capped Index
Templeton Global Bond Advisor	Global	FTSE WGBI
Capital Preservation	-	-
Wells Fargo Stable Value J	Stable Value	3-month Tbill
Vanguard Treasury MM Inv	Money Market	3-month Tbill
Real Estate	-	-
Cohen & Steers Realty Shares	REIT	FTSE NAREIT All Equity Index

Objectives of the Plan

The Plan is a long-term retirement savings option intended as a source of retirement income for eligible participants. The investment options available from the Plan cover a broad range of investment risks and rewards typical of this kind of retirement savings program. Participants bear the risks and reap the rewards of investment returns that result from the investment options which they select.

This Statement of Investment Policy:

Establishes the parameters of an investment program that will allow plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances.

Defines the investment categories offered by the Plan;

Establishes benchmarks and performance standards for each investment category by which to evaluate each fund's performance;

Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance; and

~~Defines the procedures for investment fund evaluation and formal fund review.~~

~~SELECTION OF INVESTMENT OPTIONS~~

~~Each investment option offered under the Plan must:~~

- ~~Operate under its published prospectus;~~
- ~~Have its performance results measured against the applicable performance standards described herein for that investment category.~~

~~The Board may add or replace investment options in any category using any or all of the following general criteria:~~

- ~~A. Historical performance over a reasonable time frame.~~
- ~~B. Investment manager performance and tenure.~~
- ~~C. Costs, including the expense ratio and any other fees.~~

~~Mutual fund options are selected through a comprehensive search process. Generally, the Board will first review the suitable offerings from the vendor's alliance family of funds. Absent a competitive offering from the vendor's list of alliance funds, the Board will select from qualified non-alliance funds.~~

~~INVESTMENT CATEGORIES:~~

~~The Board in its judgment selects the number, types, and status of individual investment offerings. In general, the Board will seek to offer a sufficient number of investment funds to allow each participant the ability to construct a diversified portfolio consistent with his/her reasonable investment objective. The selection and elimination of investment options will be guided by the following philosophies and principles:~~

~~A. The menu of offerings will be sufficient to allow each participant the ability to construct a diversified portfolio consistent with a reasonable investment goal. (See Appendix 1 for a classification of the current offerings.) The menu will include at least one offering in each of the following asset categories:~~

~~Stable Value Account~~

~~Fixed Income~~

~~Balanced~~

~~Large Cap Equity~~

~~Mid Cap Equity~~

~~Small Cap Equity~~

~~International Equity~~

~~Asset Allocation~~

~~B. Within the domestic equity categories, the offerings may include funds that represent style subsets (value, growth, blend) of the broad market.~~

~~C. The offerings will include funds that offer pre-determined asset allocations of various risk tolerances or investment horizons.~~

~~D. The self-directed brokerage option is designed for a sophisticated, experienced and knowledgeable investor. Participants selecting this option will be required to sign an election form containing the following:~~

- ~~(a) The participant understands and accepts any and all risks associated with this selection;~~
- ~~(b) The participant understands and accepts that none of the mutual funds available in the self-directed brokerage option have been reviewed for suitability by the Board;~~
- ~~(c) The participant is solely responsible for determining the suitability or —appropriateness of any selected mutual fund; and~~
- ~~(d) The participant agrees to hold the Plan and the Board harmless for any negative consequences resulting from use of the self-directed brokerage option.~~

REPORTING AND MONITORING PROCEDURES

The Board will designate the status of each investment fund offered as either open or closed:

~~**Open** — Eligible for new investments.~~

~~**Closed** — Not eligible for new contributions, not eligible for the establishment of new accounts, and may require the existing accounts be transferred.~~

INVESTMENT FUND EVALUATION

The Board will at least annually review the plan and its investment funds, including investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering funds with competitive (average or above) performance within each category over reasonable measurement

~~periods, typically encompassing a market cycle (3 to 5 years). The Board will also review the fund's investment style relative to its mandate and the stability of the personnel responsible for investment results. As the investment funds are retail mutual funds, the Board may rely on ratings produced by recognized performance evaluation services to evaluate long term risk-adjusted performance relative to peers. Except for the annual review, the Board may delegate these duties to its investment sub-committee. The NDPERS Board will make the performance review available for the membership.~~

~~For performance benchmarks on current offerings, see Appendix 1. Funds meeting performance standards and policy objectives will be designated as open.~~

~~**A.** Funds rated as not meeting performance standards and policy objectives will, at the Board's discretion, either be placed in a closed status or on a "formal fund review list".~~

~~**B.** The Board, at its discretion, may remove funds from the "formal fund review list" should the fund's performance recover sufficiently to meet performance standards.~~

~~**C.** Funds that do not meet performance standards and/or policy objectives may be placed in the "Closed" status.~~

~~**D.** Failure by a fund to comply with these policy objectives and guidelines is cause for the Board to place the fund under formal fund review or close the fund.~~

~~The Board may place a fund under formal fund review, or immediately close a fund, for any reason, including:~~

~~**A.** The fund has made significant changes in its investment management, or such change appears imminent;~~

~~B. The fund has had a significant change in ownership or control;~~

~~C. The fund has significantly changed investment focus or has experienced style drift,
—departing from the investment objectives;~~

~~D. The fund has violated a SEC rule or regulation;~~

~~E. The fund has experienced difficulty in transacting trades, fund transfers, or pricing;~~

~~F. The fund has experienced other changes or problems in its procedures, operations,
investing, or reporting which, in the Board's view, has or could detract from the objectives of
the Plan;~~

~~The fund has increased its fees or expenses.~~

~~Other reasons the NDPERS Board deems requires such action.~~

~~The Board retains the right to waive any of the above policies if it deems that such waiver is
in the best interest of the plan and/or its participants.~~

~~FORMAL FUND REVIEW~~

~~When a fund has been placed under formal review, the Board shall monitor the fund, its
operations, and its performance. During this period the Board may close the fund.~~

~~CLOSED FUNDS~~

~~When the Board closes a fund it may direct that:~~

~~No new contributions may be made to the fund after a specified date;~~

~~The fund is terminated and participant account balances must be transferred to another fund option.~~

~~If the Board closes a fund to new contributions it shall:~~

~~A. Promptly notify the Plan provider;~~

~~B. Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund of the Board's action and if applicable that new investment monies must be redirected to another fund option under the Plan within a time specified by the Board.~~

~~If the Board closes a fund by terminating its participation in the plan and requires all account balances to be transferred to another fund it shall:~~

~~A. Promptly notify the Plan provider;~~

~~B. Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund that the Board has terminated the fund as an investment option under the Plan and that:~~

~~New investment monies must be redirected to another fund option under the Plan within a time specified by the Board and~~

~~After 90 days notice to an affected member by the Board, all assets remaining in the terminated fund will be transferred to the default option designated by the Board.~~

|



APPENDIX 1

Defined Contribution Plan Investment Options by Investment Category

Asset Class	Sector	Fund(s)	Benchmark(s)
Balanced	Balanced	T.Rowe Price Capital Appreciation	60% Large Cap Value Fund Universe and 40% Taxable Bond Fund Universe
			60% Russell 1000 Value and 40% US Aggregate Bond Index
Large Cap Equities	Value	Hartford Dividend & Growth	Russell 1000 Value Large Cap Value Fund Universe
		T.Rowe Price Equity Income	Russell 1000 Value Large Cap Value Fund Universe
	Blend	Vanguard Institutional Index	S&P 500 Large Cap Blend Fund Universe
		Vanguard Dividend Growth	S&P 500 Large Cap Blend Fund Universe
	Growth	Wells Fargo Adv Growth	Russell 3000 growth Large Cap Growth Fund Universe
		Franklin Growth Advisor	Russell 1000 growth Large Cap Growth Fund Universe
Mid Cap Equities	Value	Virtus Mid Cap Value Equity	Mid Cap Value Universe Russell Mid Cap Value
	Blend	Columbia Mid Cap Index A	Mid Cap Blend Universe S & P Mid Cap 400
	Growth	Prudential Jennison Mid Cap Growth	Mid Cap Growth Universe Russell Mid Cap Growth



Small Cap Equities Value Northern Small Cap Value Small Value Universe
Russel 2000 Value

Blend DFA US Small Cap Small Cap Blend Universe
Russel 2000 Index

Growth Brown Capital Mgmt Small Co Inv Small Cap Growth Universe
Russel 2000 Growth

Fixed Income Wells Fargo Stable Return Fund J 3-Month T-Bill Index
Vanguard Treasury Money Market Fund 3-Month T-Bill Index
Vanguard Total Bond Fund US Aggregate Bond Index
Taxable Bond Fund Universe
MassMutual Premier Inflation Protection US Aggregate Bond Index
Taxable Bond Fund Universe
Baird Core Plus Bond Fund US Aggregate Bond Index
Taxable Bond Fund Universe
Prudential High Yield Z BofA High Yield Bond Index
High Yield Bond Fund Universe
Templeton Global Bond Adv World Govt Bond Index
World Bond Fund Universe

Real Estate Cohen & Steers Realty Shares FTSE NAREIT Equity REIT Index
Real Estate Fund Universe

International Equities American Funds New Perspective MSCI ACWI Index
International Stock Fund Universe
Vanguard Total Intl Stock Index MSCI ACWI Index
International Stock Fund Universe
Oppenheimer Developing Markets Y MSCI Emerging Markets Index
Diversified Emerging Markets Universe

Asset Allocation	TIAA-CREF Lifecycle Funds	The TIAA-CREF Lifecycle Funds will be benchmarked
Retirement Income Fund		using the Wilshire 5000 Index, MSCI Index,
2010 Fund Benchmark		Aggregate Bond Index, High-Yield Index, REIT Index,
2015 Fund Benchmark		and 3-Month T-Bill Index. Each fund benchmark will
2020 Fund Benchmark		be based on the fund allocation in Domestic Equity,
2025 Fund Benchmark		International Equity, Fixed Income, Inflation Protected
2030 Fund Benchmark		Assets, Real Estate, and Short-term Fixed Income stated
2035 Fund Benchmark		in the fund prospectus.
2040 Fund Benchmark		
2045 Fund Benchmark		
2050 Fund Benchmark		
2055 Fund Benchmark		
2060 Fund Benchmark		



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Scott A. Miller
Executive Director
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1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: Job Service Plan Asset Allocation

The Job Service retirement plan has about 180 retirees and only 2 active contributing members with a market value of total assets of \$91.2 million (March 2022). As this plan continues to mature, the NDPERS Board has worked to de-risk the asset allocation. SEI is the fund manager for the Job Service assets. Attachment 1 is a proposal from SEI for a small change to the asset allocation that still maintains the 20/80 allocation. The 'Portfolio A' recommendation moves to a fixed income strategy with lower volatility by reducing short term corporate income and reallocates the portfolio to core and limited duration fixed income.

The NDPERS Investment Subcommittee reviewed this information and recommends the NDPERS Board approve Portfolio A for the Job Service plan.

Board Action Requested:

Approve the updated Job Service Investment Policy and for the Executive Director to sign.

North Dakota (Job Service): Modeled Portfolios

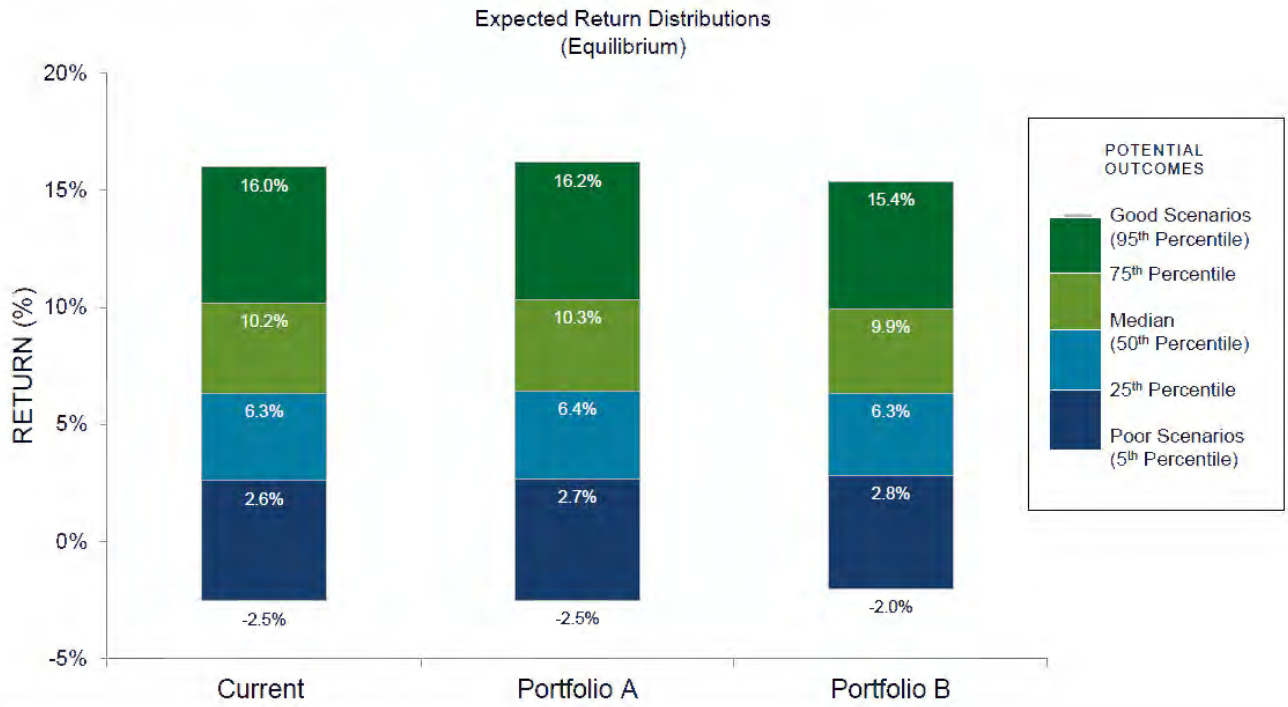
Asset Class	Current	Portfolio A	Portfolio B
US Low Beta Equities	2.0	2.0	-
Global Low Beta Equities	18.0	18.0	15.0
Total Return Enhancement Exposure	20.0	20.0	15.0
U.S. High Yield	3.0	3.0	2.0
Emerging Markets Debt	3.0	3.0	2.0
Core Fixed Income	34.0	38.0	45.0
Limited Duration Fixed Income	10.0	16.0	25.0
Diversified Short Term Fixed Income	5.0	5.0	4.0
Short Term Corporate Fixed Income	25.0	15.0	7.0
Total Risk Management	80.0	80.0	85.0
Portfolio Metrics (%) – Net of Fees			
Expected Return (Short-term)	2.8	2.8	2.6
Expected Return (Equilibrium)	6.3	6.4	6.3
Risk	5.6	5.7	5.3
Poor Scenario Return (Short-term)	-6.0	-6.1	-5.8
Fee Impact	-	-	-1 bps

Source: SEI Capital Market Assumptions. Please see important information at the beginning of this section and at the back of this presentation



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Job Service: Expected Return Distributions



Source: SEI Capital Market Assumptions. Please see important information at the beginning of this section and at the back of this presentation

RETIREMENT PLAN FOR EMPLOYEES OF JOB SERVICE NORTH DAKOTA

INVESTMENT POLICY STATEMENT

Attachment 1

1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS

The Retirement Plan for the Employees of Job Service North Dakota (Plan) is a defined benefit retirement plan for the eligible employees hired before October 1, 1980. There have been no new entrants to the plan since October 1, 1980. The plan provides retirement benefits, disability benefits and survivor benefits consistent with the written Plan document. Until October 1, 1993, annuities were purchased from the Travelers for retirees, since that date retiree benefits are paid from Plan assets. Annual cost of living adjustments for all Plan pensioners including annuitants with the Travelers are paid from Plan assets. The NDPERS Board (the Board) is the Plan Administrator and administers the Plan in accord with Chapter 52-11 of the North Dakota Century Code.

Job Service North Dakota as the employer contributes 4% of the active participant's salary as a contribution 'on behalf of the employee' and the active participants pay 3% of their salary into Plan assets.

Each year the Plan has an actuarial valuation performed. The current actuarial assumed rate of return on assets is 4.253.75%.

2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)

Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-01, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with the Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:

Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, 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 income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)

The SIB may delegate investment responsibility of the Fund or any portion of the Fund to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy is supervisory not advisory.

The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools.

The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.

3. DELEGATION OF AUTHORITY

Management responsibility for NDPERS funds not assigned to the North Dakota State Investment Board (SIB) in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, which must establish written policies and procedures for the operation of the NDPERS funds, consistent with this investment policy.

Such procedures must provide for:

1. The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).
2. Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies it is understood:
 - a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
 - b. The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.
 - c. All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.
3. Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).
4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.

All participants in the investment process must seek to act responsibly as custodians of the public trust.

4. INVESTMENT GOALS

The investment objectives of the Plan have been established by the Plan's Administrator upon consideration of its strategic objectives and a comprehensive review of current and projected financial requirements.

Objective #1: To maintain a level of surplus sufficient to eliminate the need for future contributions;

Objective #2: To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price index (CPI), by 3.0 or more percentage points per year (based on current actuarial assumptions of 4.253.75% return and 2.5% inflation), over a complete market cycle; and

Objective #3: As a secondary objective, to maximize the Plan's surplus to increase future benefit payments.

5. INVESTMENT PERFORMANCE OBJECTIVE

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives and Policies.

- a) The funds rate of return, over the long term should equal that of the policy portfolio which is comprised of policy weights of appropriate asset class benchmarks as set by the SIB.

- b) The annual standard deviation of total returns for the Fund should not materially exceed that of the policy portfolio by more than 15%.
- c) Over 5-year and longer periods the fund should match or exceed the expected rate of return projected in the most recent asset/liability study without exceeding the expected risk for the period as measured by standard deviation by more than 15%.

6. ASSET ALLOCATION

The NDPERS Board as plan Administrator establishes the asset allocation of the Fund, with input from consultants and SIB staff. The current asset allocation is based upon the asset/liability study completed by SEI Consultants in 2017. That study provided an appraisal of current cash flow projections and estimates of the investment returns likely to be achieved by the various asset classes.

In recognition of the Plan's objectives, projected financial status, and capital market expectations, the following asset allocation options were deemed appropriate for the Fund:

Domestic Equity – 2%
 Global Equity - 18%
 U.S. High Yield Bonds - 3%
 Emerging Markets Debt - 3%
 Core Fixed Income - ~~34~~38%
 Limited Duration Fixed Income - ~~40~~16%
 Diversified Short Term Fixed Income - 5%
 Short Term Corporate Fixed Income - ~~25~~15%

Rebalancing of the Fund to this target allocation will be done in accordance with the SIB's rebalancing policy, but not less than annually.

7. RESTRICTIONS

While the SIB is responsible for establishing specific quality, diversification, restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that:

- a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.
- b. Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
- c. All assets will be held in custody by the SIB's master custodian or such other custodians as are acceptable to the SIB.

Social Investing is defined as *"The investment or commitment of public pension fund money for the purpose of obtaining an effect other than a maximized return to the intended beneficiaries."*

- d. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

Economically targeted investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved, as well as to create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

- e. Economically targeted investing is prohibited unless the investment meets the Exclusive Benefit Rule.

The Exclusive Benefit Rule is met if the following four conditions are satisfied:

- (1) The cost does not exceed the fair market value at the time of investment.
- (2) The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
- (3) Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the plan.
- (4) The safeguards and diversity that a prudent investor would adhere to are present.

8. INTERNAL CONTROLS

The SIB must have a system of internal controls to prevent losses of public funds arising from fraud or employee error. The controls deemed most important are the separation of responsibilities for investment purchases from the recording of investment activity, custodial safekeeping, written confirmation of investment transactions, and established criteria for broker relationships. The annual financial audit must include a comprehensive review of the portfolio, accounting procedures for security transactions and compliance with the investment policy.

9. EVALUATION

Investment management of the Fund will be evaluated against the Fund's investment objectives and investment performance standards.

An annual performance report must be provided to the Board by the State Investment Officer at a regularly scheduled NDPERS Board meeting. The annual performance report must include asset returns and allocation data as well as information regarding all significant or material matters and changes pertaining to the investment of the Fund, including:

- Changes in asset class portfolio structures, tactical approaches and market values;
- All pertinent legal or legislative proceedings affecting the SIB.
- Compliance with these investment goals, objectives and policies.
- A general market overview and market expectations.
- A review of fund progress and its asset allocation strategy.

In addition, the State Investment Officer shall review with the Board the procedures and policies established by the SIB relating to this statement of investment goals, objectives, and policies.

Scott Miller
Plan Administrator and Trustee
Retirement Plan for Employees of
Job Service North Dakota

David Hunter
Executive Director
North Dakota Retirement and Investment Office

Date: _____

Date: _____

Approved by the SIB:

Approved by the PERS Board: ~~04/13/2021~~ 06/June 2022 Board Book Page 87 of 117

V. GROUP INSURANCE

A. Insurance Consultant Vendor Selection

***EXECUTIVE SESSION**

Material for the Executive Session will be sent under separate cover.



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website <https://ndpers.nd.gov>

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: June 14, 2022

SUBJECT: Sanford Health Plan (SHP) Update on GLP-1 Agonists
Requiring Pre-Authorization

Please find the attached information from Danny Weiss of SHP regarding GLP-1 agonists, which are typically for the treatment of type-2 diabetes, and a change that SHP will be implementing effective August 1, 2022 to require pre-authorization for these prescriptions.

Danny will be available at the meeting to review the information with the Board and answer questions you may have.

This item is informational and requires no action by the Board.

GLP-1 agonist Utilization Management Programming Change.

The fastest growing class of medication in 2021 and 2022 is a group of medications approved to treat type-2 diabetes known as GLP-1 agonists. This category of medication is very effective in the treatment of diabetes; however, the drug has been leveraged for off-label use for weight loss. One side effect of the drug is feeling overly full to the point of nausea, thereby reducing appetite. This category of medication is one of the most expensive options for diabetes, with an average cost of \$1500 per member per month.

Most of these products are solely indicated for treatment of type-2 diabetes; however, two products have been rebranded and approved for weight loss only. These products have the same chemical as the diabetes therapy but have a different brand-name and NDC number to allow carriers to choose GLP-1 to treat diabetes without covering weight loss therapy, if so inclined.

In reviewing our claims data, we have found nearly 20% of prescriptions do not have sufficient information within our claims database that indicates the member has type-2 diabetes. If a member has type-2 diabetes, there are unique billing diagnosis codes to support the routine monitoring through laboratory and clinical visits. If a patient has type-2 diabetes, there should be historical claims to support this condition and related treatment. When we find this volume of cases with no supporting evidence of diabetes, there are concerns that the medication is being used in an off-label manner for weight loss or pre-diabetes. We cover weight loss therapy for the indicated medications and unique stringent prior authorization criteria to ensure effective weight loss is occurring.

We have discovered that our previous utilization management strategy of step therapy has been circumvented to allow inappropriate access to these medications. To resolve this issue, we are taking the following actions. First, requirement of prior authorization of new prescriptions for these medications. Second, pausing payment when historical claims data is not present to support payment of the drug. To avoid any harmful disruption of diabetes care, we are notifying patients that as of 8/1/22, this medication will not be covered without prior authorization. Authorization will now require clinical justification of the diabetes diagnosis to support this use or will steer any patients using the medication for weight loss to pursue that specific authorization.



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Scott A. Miller
Executive Director
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1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: June 14, 2022

SUBJECT: Legislative Relations

This is a placeholder for us to discuss any Legislative topics that have arisen the past month.



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Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: June 14, 2022

SUBJECT: Contracts under \$10,000

Attached is a document that shows the contracts under \$10,000 that I have signed this calendar year. Please let me know if you have any questions on any of these contracts.

This topic is informational only.

Vendor	Amount	Frequency Incurred
TIAA	\$ -	MOU to reduce DC participant fees
Inter Office	\$ 1,947.36	Two chairs for our training room
Inter Office	\$ 486.26	Tackboards for IT & Training Room
Inter Office	\$ 1,006.18	Chair for member services
State Treasurer	\$ -	Authorization to pick up checks
Advanced Business Methods	\$ 231.00	Adding fax capability to leases Cannon
Milliman	\$ -	DB closure study
Sanford	\$ -	PBM audit data transfer
Secretary of State	\$ -	Director's ability to use E-Signature
*Inter Office	\$ 971.00	Chair for accounting

*Newly signed agreements since last board meeting



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: June 14, 2022

SUBJECT: State Investment Board Composition

Attached is information from the last State Investment Board (SIB) meeting. The SIB has a governance committee that is considering proposing changes to the composition of the SIB. The proposal is to decrease the number of PERS and TFFR Board members to two each. The reason for the consideration is that the assets managed by the SIB were formerly primarily PERS and TFFR trust funds, and that has changed to being primarily Legacy Funds. This would take a change to statute, and I have not yet seen a proposed bill.

This is informational and for discussion purposes only.

BOARD COMPOSITON

Scott M Anderson, CFA

May 19, 2022

NORTH
Dakota

Retirement & Investment

MEMBER	QUANTITY	CONSIDERATIONS
GOVERNOR (Lt. Governor)	1	
TREASURER	1	
WSI DIRECTOR	1	Represents pension and insurance portfolios
LAND/AG/ OR NONE	1	Represents land assets and/or OMB
PENSION (TFFR AND PERS)	2-4	Existing charters, Board balance, Committee participation
OMB DIRECTOR	1	Represent budgeting process and state finances
INSURANCE COMMISSIONER	1	Represent insurance portfolios
INVESTMENT PROFESSIONAL	2-4	At least two are experienced institutional investors and can be on investment committee; Others can be from banking, economics, and business
LEGACY FUND ADVISORY	1	Represents Legislative Assembly (nonvoting)
TOTAL	11 - 15	

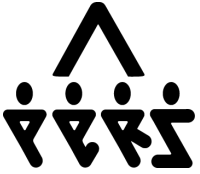
Goals

- **DESIRE TO HAVE AN EFFICIENT BOARD WITH SIZE LESS THAN 12**
- **DESIRE A BALANCE OF ELECTED OFFICIALS, APPOINTED REPRESENTATIVES AND BENEFICIARIES**
- **TRADE-OFF BETWEEN OUTSIDE EXPERTISE AND BENEFICIARIES**
- **OTHERS**

VI. MISCELLANEOUS

D. Microfiche Conversion Project Request for Proposal Vendor Selection *EXECUTIVE SESSION

Material for the Executive Session will be sent under separate cover.



Memorandum

TO: NDPERs Board
FROM: Derrick Hohbein
DATE: June 14, 2022
SUBJECT: Budget

As reported at the May board meeting, Governor Burgum is trying to create a strategy that will focus on automation, help fix workload concerns, cut red tape on redundant efforts, and is encouraging agencies to go into “tech debt.” This was an encouraging direction to receive, as Staff feels like this ties into our normal workday.

The calculation of our base budget requirement is as follows:

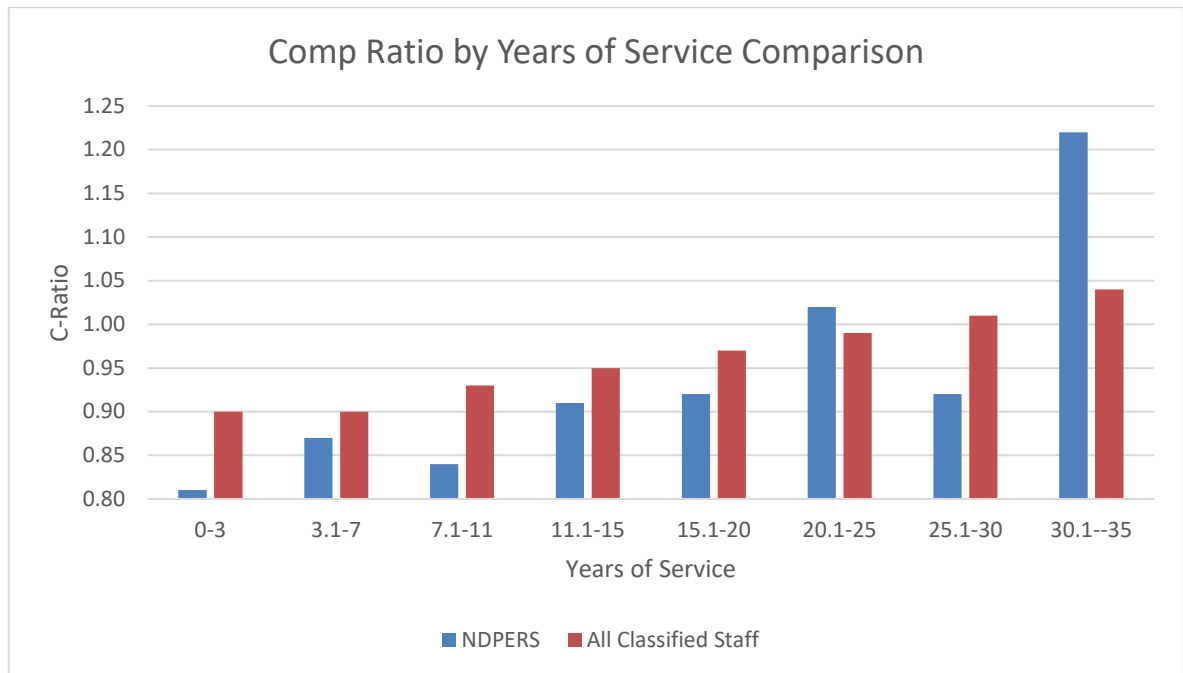
	Current Appropriation Authority	Remove One-Time Funding	Cost to Continue	2023-2025 Base Budget Limit
Salaries & Benefits	\$ 7,209,060	\$ -	\$ 53,963	\$ 7,263,023
Operating Expenses	2,500,736	(104,500)	16,301	2,412,537
Capital Assets	257,600	(257,600)	-	-
Contingency	250,000	-	-	250,000
Total	10,217,396	(362,100)	70,264	9,925,560

Because of the savings realized as a result of our office move, we do anticipate being able to comply with the Executive Recommendation without having to be concerned about reducing our staffing levels or cutting programs.

Staff is bringing the optional packages forward for cost approval. At the July board meeting, a final budget will be presented and approved, with these optional packages being submitted as potential additions to our budget.

1) Staff & Executive Director Equity Package.

As was discussed during the Board planning meeting, the salaries we offer our employees are significantly below the average salaries other state agencies pay. Our goal is not to compete with the private sector, but our agency is too important to this state to have challenges in recruiting proper staff. Staff performed an in-depth analysis of our C Ratios on an individual-by-individual basis. As of April 30, 2022, our updated C Ratios compared to other State Agencies were as follows:



The Board's Compensation Committee also met to discuss the concerns about the salary of our Executive Director. The compensation committee would like to recommend trying to obtain a 10% salary increase for the Executive Director for the 2023-2025 biennium.

In addition, the compensation committee was interested in having a consultant do an analysis on what the proper long-term goals for compensation levels should be for our Executive Director. Staff believes this analysis would cost under \$10,000, and could be accomplished without needing a separate decision package to ask for that funding.

The Compensation Committee is recommending asking for an equity package totaling \$720,000 (10% of current appropriation authority) in related salaries and benefits for staff. This level of funding would allow the Board to achieve the goal of getting NDPERS staff at a comparable level to other state agencies, and would also allow a 10% equity increase for our Executive Director. The intent is to not distribute the 10% equally across all Staff; the intent will be to target the C-Ratios that are below the state average.

2) Full-Time Equivalent (FTE) Staff.

- a. One (1.0) Benefits FTE – This FTE would be used as a “Retirement Processing Lead,” and would convert a lower level temporary position in this area into a lead role to act as a liaison between support staff and the Retirement Manager. We anticipate this position being classified as a Compliance Officer IV, and would be looking for cost approval totaling:

Salaries & Benefits	\$ 214,632
Operating Expenses	\$ 1,725

Included in operating expenses is the cost to add another user to NDIT’s desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee.

- b. One (1.0) Administrative Services FTE – This FTE would be used as a Receptionist in our agency. You may recall last session the Legislature did fully fund this position as a full-time temporary position. Consideration should be given to whether to willingly sacrifice temporary funds to add this FTE at no cost or if the Board would like to try and get the funding associated with this FTE as well. We anticipate this position being classified as an Admin Services II position, and would cost the following:

Alternative 1:

Salaries & Benefits	\$ 124,986
Operating Expenses	\$ 1,725

Alternative 2:

Salaries & Benefits	\$ -
Operating Expenses	\$ -

Under Alternative 2 - operating expenses include the cost to add another user to NDIT’s desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee. Alternative 2 would allow our agency to potentially use the temporary salaries in a different capacity, which is why the expenses associated with another body are being included in the allocation.

- c. One (1.0) Member Services FTE – This FTE would be used to convert our full-time member services representative into a full-time benefited position. We anticipate this position being classified as an Admin Services III, and would be looking for cost approval totaling:

Salaries & Benefits	\$ 161,592
Operating Expenses	\$ 1,725

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee.

The Legislature did not provide separate funding for this temporary position, which is why the Board doesn't have alternative choices for this position.

Please note we are not considering adding to our office footprint as a result of the potential FTE additions.

3) One-Time Funding Request to Continue the Additional Sagitec Developer.

Last session our agency asked for two additional developers to help us further modernize our business system. The Legislature compromised by giving us one additional developer and asked us to assess where we are going into the next session to see if the additional developer will still be needed.

We also received one-time funding to redesign the work being conducted in our office to a process called Business Process Management (BPM). Fully implementing BPM will be a 3-4 year process, so we feel adding the additional developer for one more biennium to help us continue progressing BPM is essential.

The appropriation authority needed to continue the developer for an additional two years is \$125,000.

4) DB Closure Staff.

If the Legislature moves forward on the plan to close the Main Plan, the administrative efforts in our office will be impacted significantly. The amount of effort will depend on how the Legislature intends to close the plan, and the Staff would prefer to be conservative with the estimate of possible staff we may need to accommodate this change. Below are the proposed additions our office feels may be necessary to accommodate this transition.

Accountant (Fiscal Services IV)

Salaries & Benefits	\$ 185,334
Operating Expenses	\$ 1,725

Member Services (Admin Services III)

Salaries & Benefits	\$ 161,592
Operating Expenses	\$ 1,725

Benefits Manager (Manager III)

Salaries & Benefits	\$ 293,426
Operating Expenses	\$ 1,725

Counselor (Admin Services V)

Salaries & Benefits	\$ 185,334
Operating Expenses	\$ 1,725

2 Temporary Staff Members to Convert Records

Wages	\$ 200,000
Operating Expenses	\$ 3,450

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee.

In addition, the possibility that our business system may need an overhaul to accommodate a structure change is also a reality. Staff is recommending that we ask for one-time appropriation authority to add an additional developer that can be dedicated to updating the code for whatever the new plan may look like.

Operating Expenses	\$ 125,000
--------------------	------------

5) Self-Funded Staffing.

If the PERS Health Insurance Plan and/or pharmacy benefits were to be awarded on a self-funded basis, the administrative efforts would substantially increase in addition to PERS' accountability for the plan. Today, most of the administrative and financial/operational risk resides with Sanford Health Plan. However, on a self-funded basis that would become the Board's responsibility.

Last session staff proposed adding an Accountant, a Member Services Representative, a Benefits Manager, and a Registered Nurse onto the team to accommodate this transition. Cost information for each of these positions is as follows:

Accountant (Fiscal Services IV)

Salaries & Benefits	\$ 185,334
Operating Expenses	\$ 1,725

Member Services (Admin Services III)

Salaries & Benefits	\$ 161,592
Operating Expenses	\$ 1,725

Benefits Manager (Manager III)

Salaries & Benefits	\$ 293,426
Operating Expenses	\$ 1,725

Registered Nurse (Medical Services IV)

Salaries & Benefits	\$ 214,634
Operating Expenses	\$ 1,725

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee.

If we also carve out the PBM benefit and we end up with a bid that is self-insured/transparent on the pharmacy side we also feel like we'll need to add a Pharmacist or Pharmacist Technician to our team as well. This was not considered as part of our contingent request last biennium, but Staff would prefer to add this position to our self-funded requests going forward.

Pharmacist (Medical Services VII)

Salaries & Benefits	\$ 343,530
Operating Expenses	\$ 1,725

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone. In addition, it would include \$400 in miscellaneous supplies/office equipment and a one-time request to add a chair for the employee.

6) Internal Audit Peer Review.

The goal of an internal audit department is to enhance and protect organizational value by providing stakeholders with risk-based and objective assurance, advice and insight. The internal audit department reports to and receives guidance from the audit committee as an extension of the board of directors. One of the ways that the Board can ensure that the internal audit department is serving PERS effectively is by ensuring the Internal Audit department is adhering to the International Standards for the Professional Practice of Internal Auditing (the Standards), published by the Institute of Internal Auditors (IIA). The Standards are a framework that provides the basic requirements for the professional practice of internal auditing and provides a method to evaluate the effectiveness of its performance.

Compliance with the Standards ensures the internal audit function is effective, providing quality information and value to PERS. The Standards are comprised of mandatory guidance and recommended guidance. One of the requirements under the mandatory guidance is the requirement for either an external assessment or a self-assessment with an independent external validation to be completed at least once every five years. By not following the mandatory guidance, the internal audit department cannot state that engagements are “conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.”

The approximate cost of an external assessment would be \$15,000 and completing a self-assessment with an independent valuation would be approximately \$5,000. Internal audit is currently taking steps to complete a self-assessment and would expect to have this completed by June 2023. Because we anticipate this work effort being completed in the current biennium, no decision package is needed when preparing for the next biennium’s budget.

Board Action Requested:

Staff is seeking cost approval (for the Receptionist position we are also seeking approval for Alternative 1 or Alternative 2), and a priority assigned to Initiatives #1-5 from the memo.

In total there will be 7 requests to prioritize as each of the FTE from Initiative #2 will require a separate Decision Package, and as such, will need to be prioritized independently.

Based on that guidance, we will develop a specific budget proposal for your final approval at the July Board meeting.



Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 14, 2022

SUBJECT: Mail Inserter Lease

The lease on the mail inserter our office uses on a daily basis expires in January 2023. Because of the potential concerns with the supply chain, staff has started an analysis of potential replacements. We have had this inserter for two different five year lease periods, with a monthly cost of \$180.45.

Staff is interested in upgrading our current inserter to a more modern model to help streamline our operations and increase the security of our information. The preferred inserter would have a monthly cost of \$286.43, with the following potential upgrades:

- We are interested in procuring the inserter with the “performance pack.” Our current inserter can insert up to 3 pages, while the “performance pack” offers us the ability to include up to 7 total pages (the option without the performance pack is 5 sheets). Every day we send out welcome packets to members that are 6 pages long, so this is a really attractive feature to our Administrative Services team who currently hand stuff these letters.
- The new inserter offers the ability to seal envelopes before they leave our office. Currently, all mail that leaves our office is unsealed, and this process is done by Presort. Staff is interested in pursuing business practices that would seal all envelopes before they leave our property.
- The new inserter has QR code functionality included at no additional cost. This would allow the inserter to automatically recognize when to start a new envelope and will help eliminate the risk of members inadvertently receiving correspondence that was intended for someone else.

Board Action Requested:

Consider the lease for a new mail inserter and give the authority to the Executive Director to execute/sign the lease.



Financial Considerations

Product Summary

OPTION 1 - DS64I WITH 3 STATION AND POWER STACKER

OPTION 2 - DS64I WITH 3 STATION AND PERFORMANCE PACKAGE , POWER STACKER

Cost Summary

Valid Until: 06/30/2022

01	60-Month Term Monthly Amount	\$244.80
02	60-Month Term Monthly Amount	\$ 286.43

Notes

PLEASE NOTE - FIRST YEAR SERVICE AND PARTS FREE

2ND THROUGH 5TH YEAR BILLED ANNUALLY THROUGH DBS

OPTION 1- \$650 ANNUALLY

OPTION 2 -\$850 ANNUALLY



Product Overview



DS-64i FOLDER-INSERTER

A reliable, user-friendly mail assembly solution for the office or mail center

Key Capabilities

- 7" color touchscreen control panel with graphical user guidance and wizard-based programming
- Mechanical double document control ensures envelope contents are correct for every recipient
- Up to 2 multi-format FlexFeeders that can transport full-size sheets as well as short inserts
- Quick processing speeds up to 2,000 filled envelopes per hour (2,500 w/productivity pack)
- FlexFeed trays hold a 325-sheet stack and can be linked for non-stop cascade feeding
- Store up to 50 user-programmed jobs and instantly recall any of them at the push of a button
- Additional insert feeders are available with loading capacities of 50 or 325 reply envelopes
- Tip-to-tip envelope sealing that can be turned on and off for any job
- Automatically senses and sets paper length, envelope size and compatible fold type
- Vertical output stacker holds 500 filled envelopes and preserves printing order
- Tri-folds or single-folds letter-size documents and double-folds legal-size sheets
- Connects to your network via LAN or WIFI to enable remote diagnostics and remote assistance
- Collate, fold and insert up to 5 pages into a #10 envelope or 8 pages into a 6" x 9.5" envelope
- CIS scanner can read OMR, 1D and 2D codes printed horizontally or vertically on the document

Customer

Organization	ND PUBLIC EMPLOYEES RETIREMENT SYSTEM		
DBA			
Address	PO BOX 1657		
City State Zip	BISMARCK	ND	58503
Phone	(701) 328-3903	Fax	

Purchase Order - Lease

NASPO/ValuePoint Contract #: ADSP016-169901
 and / or
 State Participating Addendum (PA) #:
 O46 (ND)

Vendor

Company Name	Quadient Leasing USA Inc. FEDERAL ID# 94-2388882		
Attention	Government Sales	DUNS# 150836872	
Address	478 Wheelers Farms Rd		
City State Zip	Milford	CT	06461
Phone	(866) 448-0045	Fax	(203) 301-2600

Ship To

Organization	ND PUBLIC EMPLOYEES RETIREMENT SYSTEM		
Attention	JAN LUND		
Address	1600 EAST CENTURY AVE SUITE 2		
City State Zip	BISMARCK	ND	58503
Phone	(701) 328-3903	Email	JLUND@ND.GOV

P.O. Number	P.O. Date	Requisitioner	Shipped Via	F.O.B. Point	Terms
			Ground	Destination	Quarterly Invoicing

QTY	Unit	Description	Unit Price	Total
60	Months	Lease Payment	\$286.43	\$17,185.80

Lease payment specified above for products listed below includes, as applicable, reduced price equipment maintenance to reflect first year free, meter rental, meter resets, postal rate changes, software license/support/subscription fees, delivery, installation, and operator training.

Products

QTY	Product ID	Description
1	DS64I-INT3SE	3 Station Expert 2 Auto Fdr + Auto BREFdr + CIS Scanner + Multi License
1	DS64IPERF	DS64i Performance Package

1) Order is governed under the terms and conditions of the NASPO/ValuePoint Master Price Agreement Contract Number ADSP016-169901. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.

2) Payments will be sent to:
 Quadient Leasing USA Inc.
 Dept 3682
 PO Box 123682
 Dallas TX 75312-3682

3) Send all correspondence to:
 Quadient Leasing USA Inc.
 478 Wheelers Farms Rd
 Milford CT 06461

 Authorized by Date

 Print Name Title

Section (A) Office Information

Office Number	Office Name	Office Phone #	Date Submitted
6117	DAKOTA BUSINESS SOLUTIONS	(701) 516-0516	05/26/2022

Section (B) Billing Information

Company Name	ND PUBLIC EMPLOYEES RETIREMENT SYSTEM		
DBA			
Billing Address	PO BOX 1657		
City State Zip+4	BISMARCK	ND	58503
Contact Name	JAN LUND	Phone	(701) 328-3903
Contact Title	ADMIN SERVICES MGR	Fax	
Email Address	JLUND@ND.GOV	PO #	

Section (C) Installation Information (if different from billing information)

Company Name	ND PUBLIC EMPLOYEES RETIREMENT SYSTEM		
Installation Address	1600 EAST CENTURY AVE SUITE 2		
City State Zip+4	BISMARCK	ND	58503
Contact Name	JAN LUND	Phone	(701) 328-3903
Contact Title	ADMIN SERVICES MGR	Fax	
Email Address	JLUND@ND.GOV		

Section (D) Products

Qty	Model / Part Number	Description (include Serial Number, if applicable)
1	DS64-INT3SE	3 Station Expert 2 Auto Fdr + Auto BREFdr + CIS Scanner + Multi License
1	DS64IPERF	DS64i Performance Package

Section (E) Lease Payment Information & Schedule

Tax Status: <input type="checkbox"/> Taxable <input checked="" type="checkbox"/> Tax Exempt <i>Certificate attached</i> Billing Frequency: <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Annually <input checked="" type="checkbox"/> Standard <input type="checkbox"/> Arrears	Number of Months		Monthly Payment (Plus applicable taxes)
	First	60	\$286.43
Current Lease Number:			

Meter Model	Machine Model
Postage Funding Method: OMAS	Postage Funding Account:
Bill Me Prepay by Check	POC
ACH Debit (Submit customer authorization form)	New Existing
CPU (include authorization form)	Existing Account Number:
Agency Code	Sub Agency Code

Section (F) Service Products (Check all that apply)

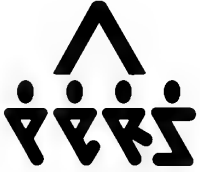
<input type="checkbox"/> Maintenance <input checked="" type="checkbox"/> Installation/Training <input type="checkbox"/> Software Support for premise (non-cloud) solutions
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Section (G) Approval

This document consists of a Government Product Lease Agreement with Quadient Leasing USA, Inc.; and an Online Services and Software Agreement with Quadient, Inc. Your signature constitutes an offer to enter into such agreements, and acknowledges that you have received, read, and agree to all applicable terms and conditions (version Government-Equipment-Lease-Terms-Dealer-V9-2020), which are also available at www.quadient.com/Government-Equipment-Lease-Terms-Dealer-V9-2020, and that you are authorized to sign the agreements on behalf of the customer identified above. The applicable agreements will become binding on the companies identified above only after an authorized individual accepts your offer by signing below, or when the equipment is shipped to you.

Guided by Quadient, Inc.'s Sustainable Design and Responsible Manufacturing Policy, our Products may contain reused components. For more information visit <https://www.quadient.com/about-us/sustainable-design-and-manufacturing>.

_____ Authorized Signature	_____ Print Name and Title	_____ Date Accepted
Accepted by Quadient Inc and its Affiliates		_____ Date Accepted



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

DATE: June 14, 2022

SUBJECT: Audit Committee Minutes

Attached are the approved minutes for the February 7, 2022 meeting. The minutes may also be viewed on the NDPERS web site at www.nd.gov/ndpers.

The next audit committee meeting is scheduled virtually and in person for August 15, 2022 at 3:00 p.m. This is for your information.

Attachments



MEMORANDUM

Attachment

TO: Audit Committee
Mona Rindy
Adam Miller
Julie Dahle
Dirk Wilke
Senator Dick Dever

FROM: Shawna Piatz, Chief Audit Officer

DATE: February 7, 2022

SUBJECT: **February 7, 2022 Audit Committee Meeting**

In Attendance:

Mona Rindy
Adam Miller
Dirk Wilke
Julie Dahle
Senator Dick Dever
Shawna Piatz
Scott Miller
Derrick Hohbein
Rebecca Fricke
Sarah Marsh

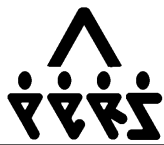
The meeting was called to order at 3:01 p.m. by Ms. Rindy. The committee began the meeting with approving the prior Audit Committee minutes.

I. November 16, 2021 Audit Committee Minutes

- A. The Audit Committee minutes were examined. Senator Dever moved approval of the minutes. The motion was seconded by Ms. Rindy. This was followed and approved by voice vote.

II. Internal Audit Reports

- A. Quarterly Audit Plan Status Report – A summary of the Internal Audit staff time spent for the past quarter along with a status update on each area of the 2020 – 2021 Audit Plan was included with the Audit Committee materials. Of the total hours reported, 56.87% was spent in audit, 10.19% in consulting, and 32.94% in administrative hours. The audit hours were largely spent on the monthly retirement program audit, the Sanford Interest Calculation Report Audit, and the Service Purchases Audit. The consulting hours were attributable to Internal Audit's



assistance with the external audit, annual risk assessment reviews, proposed FAS assistance, and various reviews and reconciliations for the Benefits and Accounting divisions.

- B. Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or refunds audited and whether issues identified were procedure, system, compliance, or employer issues. Fiscal year to date, a total of 273 new retirees out of the 622 were audited, which equates to \$1,031,266.79 of \$2,435,900.86 being audited. An accuracy rate of 99.27% was achieved fiscal YTD as of January 2022 for new retirement benefit payments, which is above the 97% goal. Fiscal year to date, a total of 41 of the 1,134 refunds issued were audited, which equates to \$1,901,215.98 of \$9,581,518.58. An accuracy rate of 95.12% was achieved fiscal YTD as of January 2022 for retirement refunds, which fell below the 97% accuracy rate goal. A limited number of retirement refunds were audited and a portion of the sample continues to be focused on those refunds in which a known system issue is likely to have occurred.
- C. Benefit/Premium Adjustments Report – The quarterly benefit adjustment report was provided to the Audit Committee. The report is in several sections, each representing the type of corrections. The dollar amount and the number of errors did show a slight increase; however, a majority of the errors remain from previously reported adjustments and clean up of outstanding payments and collections. Five adjustments were new this quarter, seven adjustments were paid or written off and 12 previously reported adjustments remain outstanding.
- D. Outstanding Issues Status Report –The Outstanding Issues Status report has been updated to reflect all new issues and what has been accomplished November 1, 2021 through January 31, 2022. There were five existing recommendations where progress has been made and no new recommendations added to this report. Two items were closed from the prior quarter. Staff have been proactive about addressing recommendations as they are made in which case they would not be included on this report.

III. **Administrative**

- A. Audit Committee Charter Matrix – In order to confirm all responsibilities outlined in the Audit Committee charter are carried out annually, a matrix was developed to review each objective and ensure that the Audit Committee is meeting its responsibilities. The matrix was reviewed and discussion took place as to ways to enhance the matrix and it was decided that dates would be added and a status report provided quarterly so that the Audit Committee could monitor their progress continually throughout the year. Mr. Wilke moved approval of the matrix. The motion was seconded by Ms. Dahle. This was followed and approved by voice vote.



-
- B. Internal Audit Charter Matrix – A copy of the Internal Audit Charter matrix including a summary of the activities completed through December 31, 2021 was provided to the Audit Committee for their review and information. Discussion took place around obtaining a peer review as required by professional standards. The Audit Committee directed the CAO to look into the cost and timeframe to complete and requested an update at the next Audit Committee meeting.
 - C. CAO Annual Performance Evaluation – The Audit Committee has completed the CAO's Annual Performance Evaluation; however they want to review this again at the next Audit Committee meeting once the rest of the staff evaluations have been completed, so it has been tabled until May.
 - D. Audit Committee Meeting Dates & Times – The next Audit Committee meeting is scheduled for Monday, May 16, 2022 at 3:00 p.m.

IV. Miscellaneous

- A. Travel Expenditures – There were no out-of-state travel expenditures incurred by the Executive Director or Board for the period November 1, 2021 through January 31, 2022. This was provided for the Audit Committee's information.
- B. Risk Management Report – Updates were presented to the Audit Committee related to the Loss Control Committee activities. The Audit Committee was provided the minutes from the Loss Control Committee's September 28, 2021 meeting. The Loss Control Committee reviewed a number of action items for the previous quarter including HIPAA Privacy/Security, AED training, the Disaster Recovery Plan and the Quarterly Audit Report.
- C. Report on Consultant Fees – According to the Audit Committee Charter, the Audit Committee should "Periodically review a report of all costs and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon-procedures and any non-audit services provided." A copy of the report showing the consulting, investment and administrative fees paid during the quarter ended December 2021 was provided for the Audit Committee's information.
- D. CPEs and Webinars – A report on the continuing professional education webinars, luncheon meetings and seminars Internal Audit participated in for the period November 1, 2021 through January 31, 2022 was provided to the committee. The Chief Audit Executive attended four webinars and one lunch and learn meeting.

The meeting adjourned at 4:18 p.m, by Ms. Rindy.

VI. MISCELLANEOUS

H. Board Election Results

Material for this agenda topic will be available at the board meeting.



Memorandum

TO: NDPERS Board

FROM: Scott

DATE: June 14, 2022

SUBJECT: Committee and Board Appointments

The Board previously discussed who to appoint as the new State Investment Board (SIB) member and Investment Subcommittee member, but delayed action until the Attorney General appointee was final and the election was complete.

State Investment Board Member:

The SIB makeup is provided in NDCC section 21-10-01:

1. The North Dakota state investment board consists of:
 - a. The governor;
 - b. The state treasurer;
 - c. The commissioner of university and school lands;
 - d. The director of workforce safety and insurance;
 - e. The insurance commissioner;
 - f. Three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board;
 - g. Two of the elected members of the public employees retirement system board as selected by that board;
 - h. One member of the public employees retirement system board as selected by that board; and
 - i. One member of the legacy and budget stabilization fund advisory board, as selected by that board, to serve as a nonvoting member.

The two elected PERS Board members are Yvonne and Adam. Kim is the alternate. The Board will need to select another member of the Board for the third member. That person does not need to be from the roster of elected Board members.

Investment Subcommittee Member

There is no statutory or rule guidance regarding the Investment Subcommittee membership. The Subcommittee has commonly had four members and an alternate, although that number is not required. As such, the Board could decide to remain with the current roster of three members (Yvonne, Adam, and Representative Anderson, with Kim as the alternate), or appoint a fourth member. The Board Chairperson appoints the members.

I would also suggest appointing one of the members as the Chair. Staff has been leading these meetings, which has worked fine. However, Board committees are usually led by a Chair appointed from the Board members.

Board Action Requested: Appoint a new member to the State Investment Board and the Investment Subcommittee, and appoint a Chair for the Investment Subcommittee.

VII. MEMBER **EXECUTIVE SESSION

- A. Retirement Benefit Appeal Case #740**
- B. Retirement Benefit Appeal Case #741**
- C. Retirement Benefit Appeal Case #750**
- D. Retirement Benefit Appeal Case #751**

Material for the Executive Sessions will be sent under separate cover.