

**NDPERS INVESTMENT COMMITTEE**  
**Meeting**  
**May 20, 2021**  
**MINUTES**

\* - Present

**BOARD MEMBERS:**       \*Troy Siebel  
                                  \*Yvonne Smith  
                                  \*Adam Miller  
                                  \*Representative Jason Dockter  
                                  Kim Wassim

**STAFF:**                    \*Bryan Reinhardt  
                                  \*Scott Miller  
                                  Derrick Hohbein  
                                  \*MaryJo Anderson  
                                  \*Rebecca Fricke

**Others Present:**        \*Dave Hunter, \*Darren Schulz - RIO; \*Alex Browning, \*Ben Taylor - Callan; \*Melissa Thorpe, \*Lori Schausten - TIAA

Minutes

8:30 – The meeting was held by video/conference call. The meeting was recorded. The meeting materials were sent out. Bryan started the meeting and discussed a new agenda with Callan starting the meeting with a market overview and fund performance. Bryan introduced Callan. Alex covered the presentation. The economy is doing well with bouncing back from the COVID-19 pandemic during the last year. Value stocks are now outperforming growth stocks. There is a recent rise in inflation along with a rise in interest rates. This has a negative affect on bond performance. Ben highlighted the results of the Callan 2021 Defined Contribution survey. Alex informed the group that the Callan conference is scheduled for July 19-21.

9:00 – Alex continued to cover the performance report. Callan is in the process of studying the fund lineup and number of investment options. There was discussion on how investment options impact investor decisions. The NDPERS plans have over a 70% allocation (60% for 401a plan) to the target date funds. Callan felt this is higher than other plans, but a good thing. Most of the investment options are performing well compared to their benchmarks. Callan covered the two funds on formal fund review. The Jennison mid cap growth fund is performing well. Bryan asked about the benchmarks being used. The Templeton bond fund continues to underperform. There are not a lot of participants or dollars in this fund. Bryan asked Callan to go over the performance of the Northern small cap value fund. It's performance is down. NDPERS staff and Callan will meet to further discuss fund lineup and benchmarks.

9:45 - Melissa covered the TIAA plan review and activity reports. Quarter over quarter, the plans remain steady. Contributions and returns have the plans up to almost \$200 million in assets. TIAA remains focused on employee engagement. Employees are taking advantage of TIAA education and counseling. Feedback from the TIAA surveys was 100% positive last quarter.

10:15 – Bryan covered the quarterly review. The subcommittee marked the Templeton bond fund and Northern small cap fund as underperforming.

Dave covered the presentation on the DB plan returns. The returns were good. As of March 31, 2021 the main plan had a 31.84% 1-year return (10.20% 5-year). The 5-year added return was .42%. This is the active management return over being invested in index funds. The insurance fund returned 7.39% 1-year (2.17% 5-year). The RHIC fund returned 37.29% 1-year (10.36% 5-year). The Job Service returned 9.92 1-year (5.06% 5-year). The J.S. plan is 20/80 allocated (80% in fixed income).

Bryan asked Alex to comment on the capital market assumptions (CMAs) and if the last year has had any impact. Since these are 'long-term' figures (10-year), there was only a small downward change at the end of 2020 in the US equity assumption.

There was no other discussion.

The next meeting is August 19, 2021

10:30 - Adjourn

To: Cathy Carlson

From: Bryan Reinhardt

Subject: NDPERS Investment Subcommittee Meeting

In accordance with the policy effective August 26, 1993 for compensating Board members for attendance at sub-committee meetings, the date of the investment sub-committee meeting and member attendance is as follows:

Date: May 20, 2021

Meeting Time: 8:30am – 10:30am

<u>Attendees</u>	<u>Meeting Length</u>
Yvonne Smith	2.0 hours
Adam Miller	2.0 hours
Jason Dockter	2.0 hours
Troy Siebel	2.0 hours