

**NDPERS INVESTMENT COMMITTEE**  
**Meeting**  
**August 27, 2021**  
**MINUTES**

\* - Present

**BOARD MEMBERS:**        \*Troy Siebel  
                                  \*Yvonne Smith  
                                  \*Adam Miller  
                                  Representative Pam Anderson  
                                  Kim Wassim

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

**Others Present:**        \*Alex Browning, \*Ben Taylor, \*Paul Erlendson - Callan;  
                                  \*Melissa Thorpe, \*Lori Schausten - TIAA

Minutes (Meeting moved from August 19<sup>th</sup>)

1:30 – The meeting was held by video/conference call. The meeting materials were sent out. Bryan started the meeting and discussed the agenda. Bryan introduced Melissa from TIAA. Melissa covered the plan review. The two DC plans now have about \$200 million in assets. There are 29 participants in the brokerage window (mutual fund window). TIAA will look closer at these participants for Q3. The group discussed the fund lineup. Melissa covered the field activity report.

2:15 – Callan covered their fee presentation. The plan currently pays TIAA by 23 bps of plan assets under management. There are 4 scenarios under the Callan proposal. Callan recommends scenario four which moves the funds into a share class with no revenue sharing and charges participants the 23 bps based on their account balance. Troy asked if funds with no revenue sharing could be dropped now as not all the funds have revenue sharing and the amounts vary. The committee discussed the fees. It was noted that the shortfall was about \$17,300 for the last year and there are about 8,600 accounts. This would be a little over \$2 per account to make up the shortfall. NDPERS could implement a process to cover the deficit and work on a new fee structure in the next renewal / RFP. Bryan pointed out that option four would have a big range of fees based on account value and may affect member satisfaction when the fees hit the account statements as now there are no fees listed on account statements. Troy suggested a flat fee per account. Discussion followed on TIAA services and their similar value for all accounts. Melissa noted that TIAA is willing to work with NDPERS Callan on a new fee strategy. Alex asked about the ability to renegotiate the contract

with TIAA. Scott noted that contract amendments are OK. Troy noted that all contracts are for two years. Adam commented that scenario one was the best and OK. Yvonne noted that option one was the simplest and a contract amendment would be best. Scott noted that option on could be for two years and the RFP or renewal could be looked at or have Callan/TIAA review the fee process. The Board members agreed and though it should be advanced to the NDPERS Board. The motion from Troy is to advance option 1 (deficit split between all accounts and a fixed fee charged to accounts). Adam 2<sup>nd</sup>. All there Board members voted 'yes'. Bryan will draft a memo and advance the motion to the full NDPERS Board in September.

3:20 – Paul covered the presentation on DC Investment Structure. There was some discussion on the NDPERS plan options. Callan will be reviewing the NDPERS funds. Bryan will add the Callan structure fund analysis and recommendation for the November investment subcommittee meeting.

3:55 – Callan covered the quarterly markets and fund performance report. Most of the NDPER funds are doing well. Paul noted that Callan will work with Bryan and Scott to come up with a 'executive summary' or overview report to highlight the large investment report.

4:15 – Bryan covered the NDPERS Investment report and discussed the two funds on 'watch'. The subcommittee marked the Templeton bond fund and Northern small cap fund as underperforming. These are the same two funds marked as underperforming in the first quarter.

There was no other discussion.

The next meeting is Thursday November 18, 2021

4:30 - 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: August 27, 2021

Meeting Time: 1:30pm – 4:30pm

<u>Attendees</u>	<u>Meeting Length</u>
Yvonne Smith	3.0 hours
Adam Miller	3.0 hours
Troy Siebel	3.0 hours