

**NDPERS INVESTMENT SUBCOMMITTEE
MINUTES
Wednesday, August 27, 2025
8:30 AM**

Members By Teams: Chairperson Adam Miller
Gerald Buck
Tyler Erickson
Rep. Greg Stemen
Jeffry Volk

Staff Present: MaryJo Anderson
Marcy Aldinger
Derrick Hohbein
Katheryne Korom
Kirsten Tuntland

Staff Absent: Rebecca Fricke

Others Present: Scott Anderson - RIO
Craig Chaikin - Callan
Jack Beisel - Callan
Robert Goldthorpe - NEPC
Joe Nankof - NEPC
Dave Ramirez - Empower

Minutes

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

Agenda item VI. Asset Allocation was moved to item IV. Agenda was approved by voice vote.

I. Minutes – Tuesday, May 27, 2025

Chairperson Miller called for questions or comments regarding the minutes of May 27, 2025.

Mr. Jeffry Volk moved to approve the minutes of the May 27, 2025, Investment Subcommittee meeting. The motion was seconded by Mr. Tyler Erickson.

Minutes were approved by voice vote.

II. Conflict of Interest Disclosure Consideration

None reported.

III. Defined Benefit Plans Performance Q2 2025 Update – RIO

Mr. Scott Anderson gave an investment update on the NDPERS Defined Benefit plans as of May 31, 2025. NDPERS performance, asset allocation, and performance benchmark indices were reviewed. The year-to-date total NDPERS net fund return of 4.1% less the policy benchmark return of 3.6% resulted in a total relative return of 0.5% as of May 31, 2025. The one-year total NDPERS fund return of 9.1% less the policy benchmark return of 8.9% resulted in a total relative return of 0.2% as of May 31, 2025. NDPERS 10-year average fund return as of May 31, 2025, was 7.3% compared to the policy return of 6.9%.

IV. Asset Allocation – RIO

Mr. Joe Nankof and Mr. Robert Goldthorpe with NEPC provided an overview of the Asset-Liability analysis conducted by NEPC for NDPERS. Mr. Nankof's presentation included a review of the current state of the 2025 pension asset/liability project work plan, the current state of NDPERS pension plan, core asset class return assumptions, the NDRIO asset allocation which indicates long-term (30-year) return expectations above 7.25%, and alternative asset allocation profiles. Mr. Goldthorpe presented information on the purpose of the asset liability study, principles, expected return, NDPERS liquidity profile, economic scenario analysis, and Stochastic analysis. NEPC consultants recommend adoption of Mix 1 which offers meaningfully better long-term returns than the current policy. Consultants also noted that volatility for Mix 1 is like the current policy for NDPERS and offers improved (combination of lower risk and higher return) plan financials over the long-term relative to the current policy. Full Board discussion was requested by Rep. Stemen. Discussion took place.

Mr. Gerald Buck made a motion to adopt a recommendation to the full Board to adopt Mix 1. The motion was seconded by Mr. Jeffry Volk.

Ayes: Chairperson Adam Miller, Mr. Buck, Mr. Erickson, Rep. Stemen, Mr. Volk

Nays: None

Absent: None

V. Market Update & Performance – Callan

Mr. Craig Chaikin presented a market update for the 2nd quarter of 2025. The Active Manager Monitoring summary was reviewed. JPM SMID Cap Equity strategy assets are below \$500 million versus \$520 million at the beginning of the year. The 457 and 401 (a) Plan Asset Allocation & Distribution, Active Manager Monitory Summary, Active Manager Performance Summary, and Plan Performance Monitoring reports were reviewed. Due to changes in participant demographics, Mr. Chaikin recommended looking at suitability of the target date suite in the 401(a) plan. Plan investment fees were reviewed. Current fees are well below median. Mr. Chaikin updated the subcommittee on the executive order regarding sponsors offering private market investments inside DC plans. Discussion took place.

VI. Plan Review – Empower

Dave Ramirez with Empower presented the 2Q2025 plan review. The NDPERS 457(b) Companion plan has 10,816 participants and assets of \$244,035,209. The NDPERS 401(a) Defined Contribution plan has 1,587 members and assets of \$30,791,387. Overall, there are 12,403 plan participants with total assets of \$274,826,596. Approximately 44% of Companion plan participants and 24% of Defined Contribution participants have registered their online account. Participant education and engagement

were reviewed. The Workplace Planning Advice team fielded 1,814 calls from NDPERS members over the last 12-month period ending on June 30, 2025. The 2Q2025 Customer Care Center Participant Satisfaction score was 4.42 out of 5.

VII. Admin Fee Analysis – Callan

Mr. Craig Chaikin presented information on administrative fee benchmarking. Empower charges an annual \$46 per account for accounts with a balance over \$1,000. Custody fees are an additional \$2,000 per year. Total annualized fees for Empower's administration was \$308,383 excluding transaction fees and other indirect revenue. Per account, including those under \$1,000, the fee would be \$25.32. The Plans' pricing is very competitive relative to both Callan's Government and Corporate database. Participant transactions costs are only born by participants that elect a specific service. Overall, NDPERS' fees relative to other plans are extremely competitive and members have the benefit of the ongoing oversight provided by the representatives available to them.

VIII. Other Business

None.

The next regular meeting will be on Tuesday, November 25, 2025.

The subcommittee adjourned at 11:45 AM.