

**NDPERS INVESTMENT SUBCOMMITTEE  
MINUTES  
Tuesday, November 28, 2023  
8:30 A.M.**

**Board Members Present via Teams:** Chairperson Adam Miller  
Tyler Erickson  
Casey Goodhouse

**Board Members Absent:**

**Staff Present:** Rebecca Fricke  
Derrick Hohbein  
MaryJo Anderson  
Katheryne Korom  
Dean DePountis

**Others Present:** Perry Hopper, Alex Browning - Callan  
Scott Anderson – RIO  
Melissa Thorpe – TIAA

**Minutes**

Chairperson Adam Miller called the meeting to order at 8:34 A.M. A quorum was present.

**I. Minutes – Thursday, August 10, 2023**

Chairperson Miller called for questions or comments regarding the minutes of August 10, 2023.

**Tyler Erickson moved to approve the minutes of the August 10, 2023, Investment Subcommittee meeting. The motion was seconded by Casey Goodhouse and carried by voice vote. The minutes were approved.**

**II. Conflict of Interest Disclosure Consideration**

None reported.

**III. Defined Benefit Plans Performance Q3 Update – Retirement & Investment**

Scott Anderson gave an investment update on the PERS Defined Benefit plans as of September 30, 2023. Performance benchmark indices were reviewed. The annual inflation rate for October 2022 thru October 2023 was +3.2% based on the CPI. PERS actual and target asset allocations were reviewed. Total actual assets as of September 30, 2023, were \$3,931,482,000. The year-to-date total PERS fund return of 4.5% less the policy benchmark return of 4.0% resulted in a total relative return of 0.5% as of September 30, 2023. The one-year total PERS fund return of 9.6% less the policy benchmark return of 9.1% resulted in a total relative return of 0.5%.

NDPERS' 10-year average return as of June 2023 was 7.6% compared to the policy return of 7.2%.

#### **IV. Market Update & Performance – Callan**

Perry Hopper presented a market update for the 3rd quarter of 2023. The new investment structure transition is scheduled for mid-year of 2024.

Both the 457 and 401(a) plans experienced positive net asset flows in the third quarter while incurring net investment losses. In the 457 plan, capital preservation funds saw the largest outflows while participants continued to add heavily to asset allocation options (Target Date Funds series and balanced fund). U.S. and international equities also saw inflows. In the 401 (a) plan, capital preservation and U.S. small cap equities experienced net outflows while U.S. mid cap equities saw the largest net inflows. Templeton Global Bond Plus and Allspring Growth remain on the watch list.

Assets for the 457 plan have declined from \$193,252,149 as of June 30, 2023 to \$189,049,561 as of September 30, 2023. Investment loss during this time period was \$6,208,985 and net new investment was \$2,006,398. For the 401(a) assets declined from \$19,663,861 as of June 30, 2023 to \$19,228,754 as of September 30, 2023. Investment loss during this time period was \$646,868 and net new investment was \$211,762.

#### **V. Plan Review – TIAA**

Melissa Thorpe with TIAA presented the 3Q2023 plan review. The NDPERS Companion plan has 9,846 participants and assets of \$189,049,562. The NDPERS 401(a) Defined Contribution plan has 198 members and assets of \$19,228,754. Overall, there are 9,977 plan participants with total assets of \$208,278,316. Contributions have increased 5.4%, plan assets have increased 17.4%, and distributions have increased 49.5% year-over-year. Melissa Thorpe reviewed retirement readiness, member advice, retirement risks, engagement data, and member demographics. Discussion took place.

#### **VI. Other Business**

Katheryne Korom proposed 2024 committee meeting dates of February 27, May 28, August 27, and November 26.

**Tyler Erickson moved to approve the proposed 2024 meeting dates. The motion was seconded by Casey Goodhouse and carried by voice vote. The 2024 schedule was approved.**

The next meeting will be on February 27, 2024.

**The subcommittee adjourned at 10:03 A.M.**