



# June 2011 NDC Committee Meeting





# Committee Member Communications

- No Provisions in NRS
- Nevada Board and Commission Manual
  - Not use Position to Represent Decision Making Powers
  - Direct all inquires to Board Office

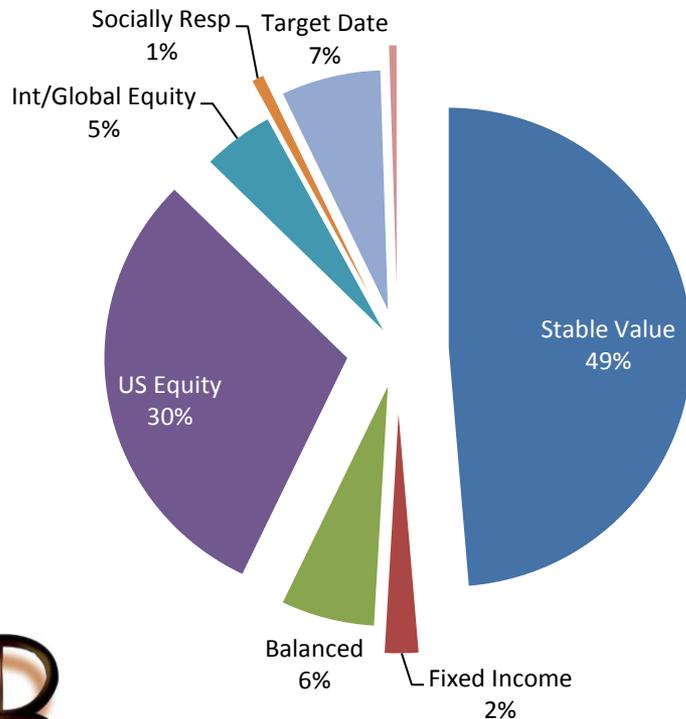
- **Recommended Motion:**

Direct Staff to amend the Administrative Manual to include a procedure which requires Members to direct all inquires within the Committee purview to Staff for dissemination to the Committee as appropriate to ensure compliance with the Open Meeting Law.

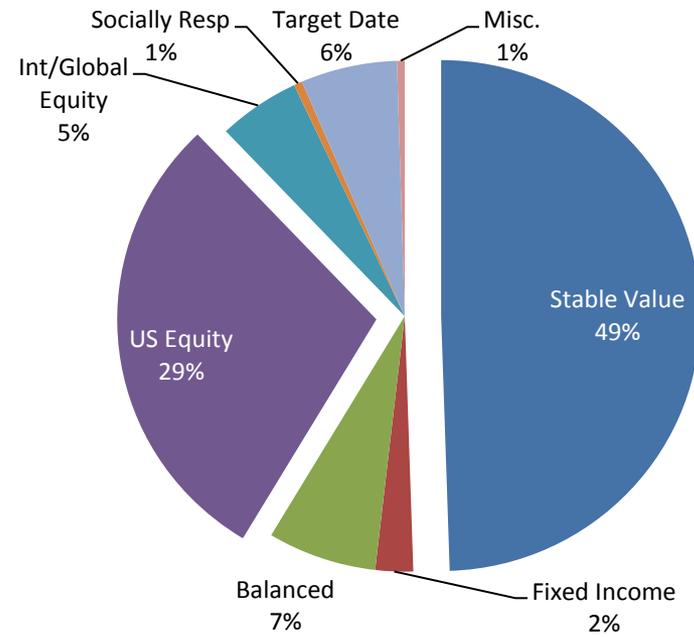


# NDC Asset Allocation

**NDC - Asset Allocation as of 3/31/11**  
**\$ 554.36 Million**



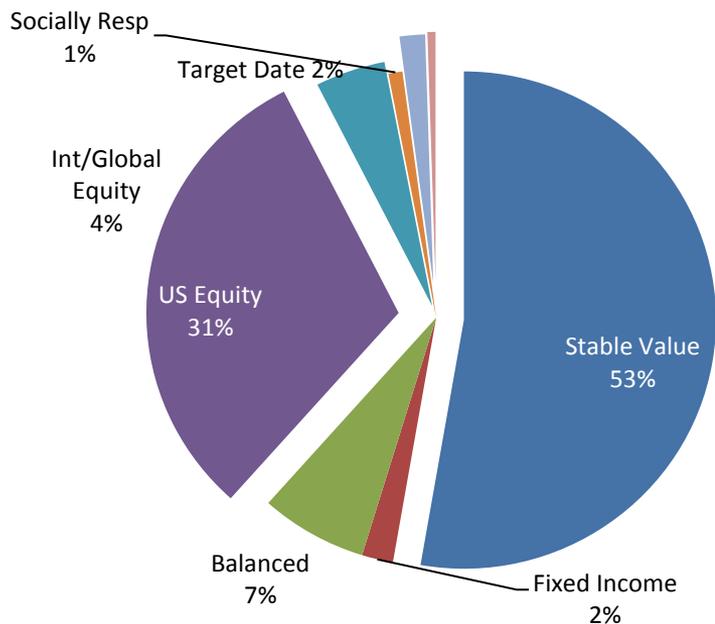
**NDC - Asset Allocation as of 3/31/10**  
**\$497.7 Million**



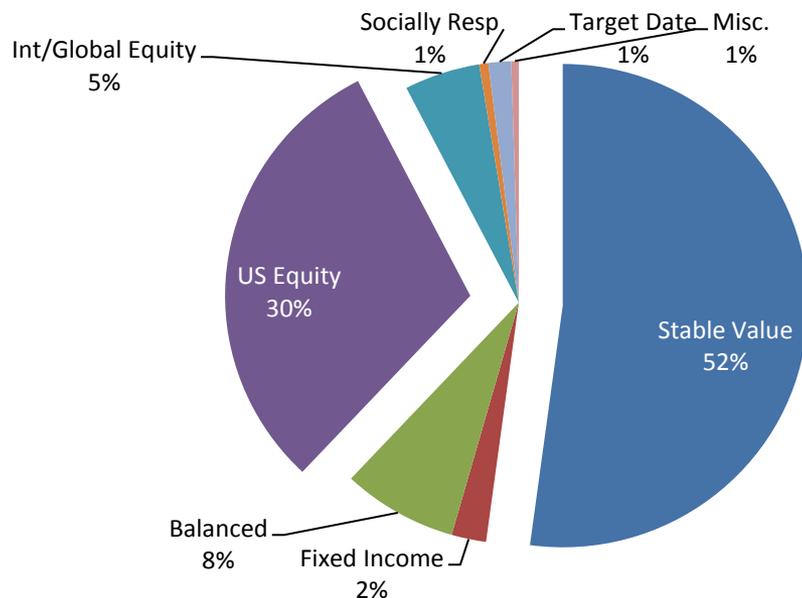


# Hartford Asset Allocation

**Hartford- Asset Allocation as of 3/31/11**  
**\$ 455.98 Million**



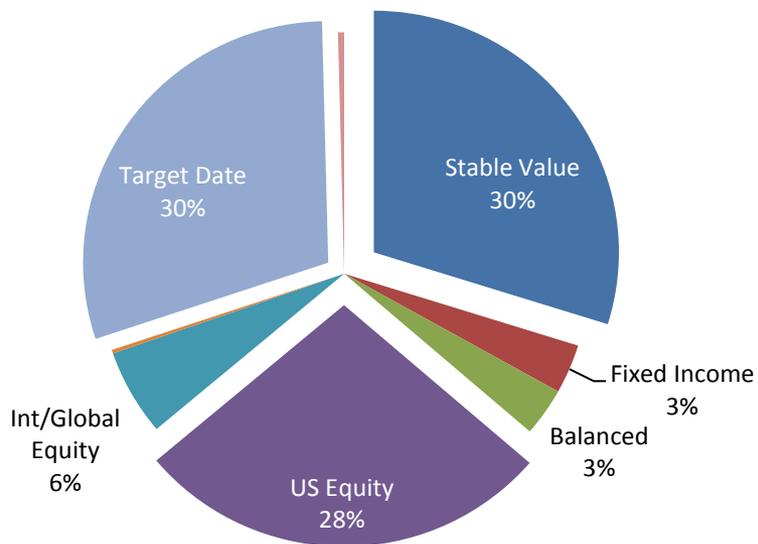
**Hartford - Asset Allocation as of 3/31/10**  
**\$ 408.89 Million**



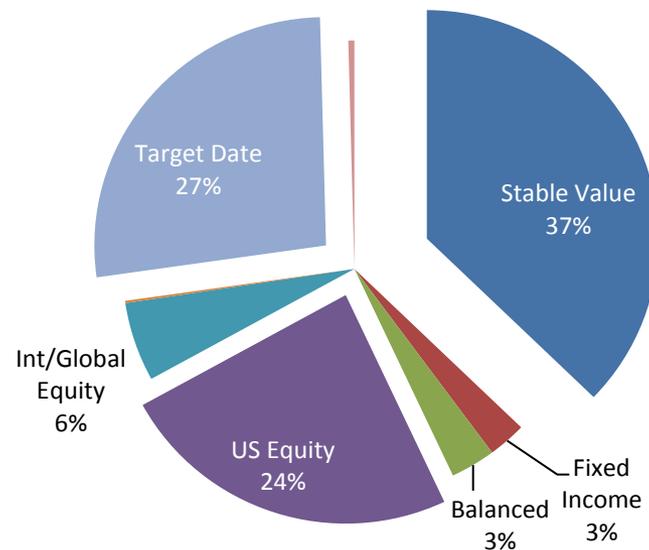


# ING Asset Allocation

**ING- Asset Allocation as of 3/31/11**  
**\$ 98.38 Million**



**ING- Asset Allocation as of 3/31/10**  
**\$ 88.81 Million**





# Plan Activity

	1Q 10	1Q 11	% Change
<b>Total Participants</b>	13,058	12,884	 1%
<b>New Participants</b>	188	140	 26%
<b>Quarterly Cash Flow</b>	\$10.23 Million	\$ 9.63 Million	 6%
<b>Individual Mtg with Reps</b>	1,533	2,204	 44%
<b>Group Enrollment Meetings</b>	190	199	 5%
<b>Rollovers In (included in cash flow)</b>	\$1.03 Million	\$1.10 Million	 7%



# Leakage

	1Q 10	1Q 11	% Change	
<b>Total Number Withdrawals (Full Only)</b>	\$1.05 Million	\$1.10 Million		5%
<b>Total # of Rollovers (Out of Plan)</b>	\$1.22 Million	\$4.13 Million		237%
<b>Total Number of Service Buybacks (NVPERS)</b>	\$920,010	\$1.51 Million		65%
<b>Total Number Unforeseen Emergencies</b>	\$113,183	\$122,424		8%
<b>TOTAL MONEY OUT*</b> *Does not include routine money out (RMDS, partials, or SWOS)	\$3.30 Million	\$6.86 Million		108%



# Performance Indicators

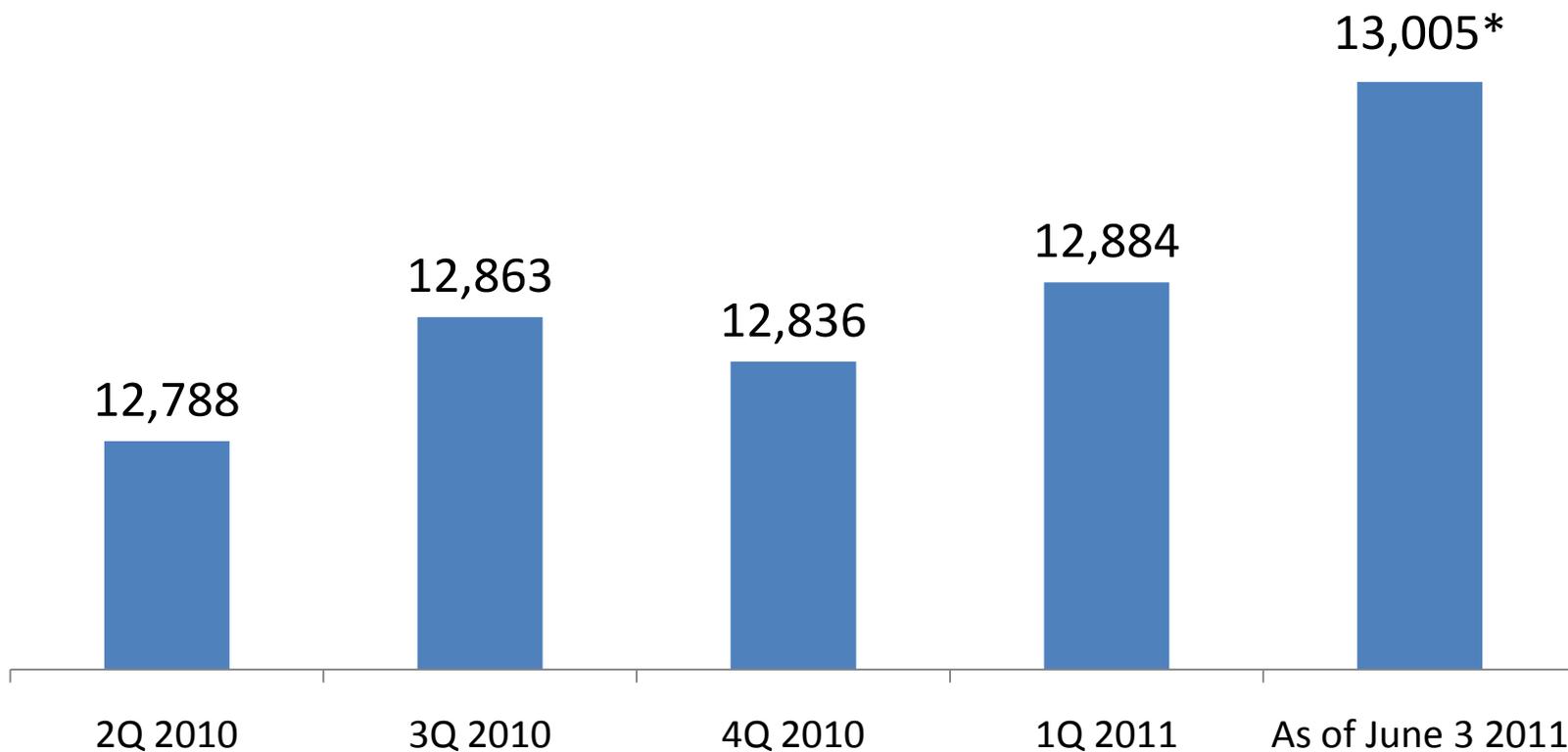
Performance Indicators	1Q 2011 (March 31, 2011)	FY 11 Goal	% of Goal
<b>Total Participants*</b>	<b>10,445</b>	<b>11,429</b>	<b>91%</b>
<b>Participation Rate*</b>	<b>32%</b>	<b>39%</b>	<b>82%</b>
<b>Percent of funds with top ratings (4-5 stars)</b>	<b>60%</b>	<b>75%</b>	<b>80%</b>
<b>Average Annual Costs to Participants**</b>	<b>0.65%</b>	<b>0.68%</b>	<b>105%</b>
<b>Percent of Customers' Calls to providers answered within 20 seconds</b>	<b>80% Hartford</b>	<b>80%</b>	<b>100%</b>
	<b>90.3% ING</b>	<b>80%</b>	<b>113%</b>
<b>Total Plan Assets*</b>	<b>\$443.6 million</b>	<b>\$393 million</b>	<b>113%</b>

\* Does not include alliance partner data

\*\* Does not include guaranteed accounts



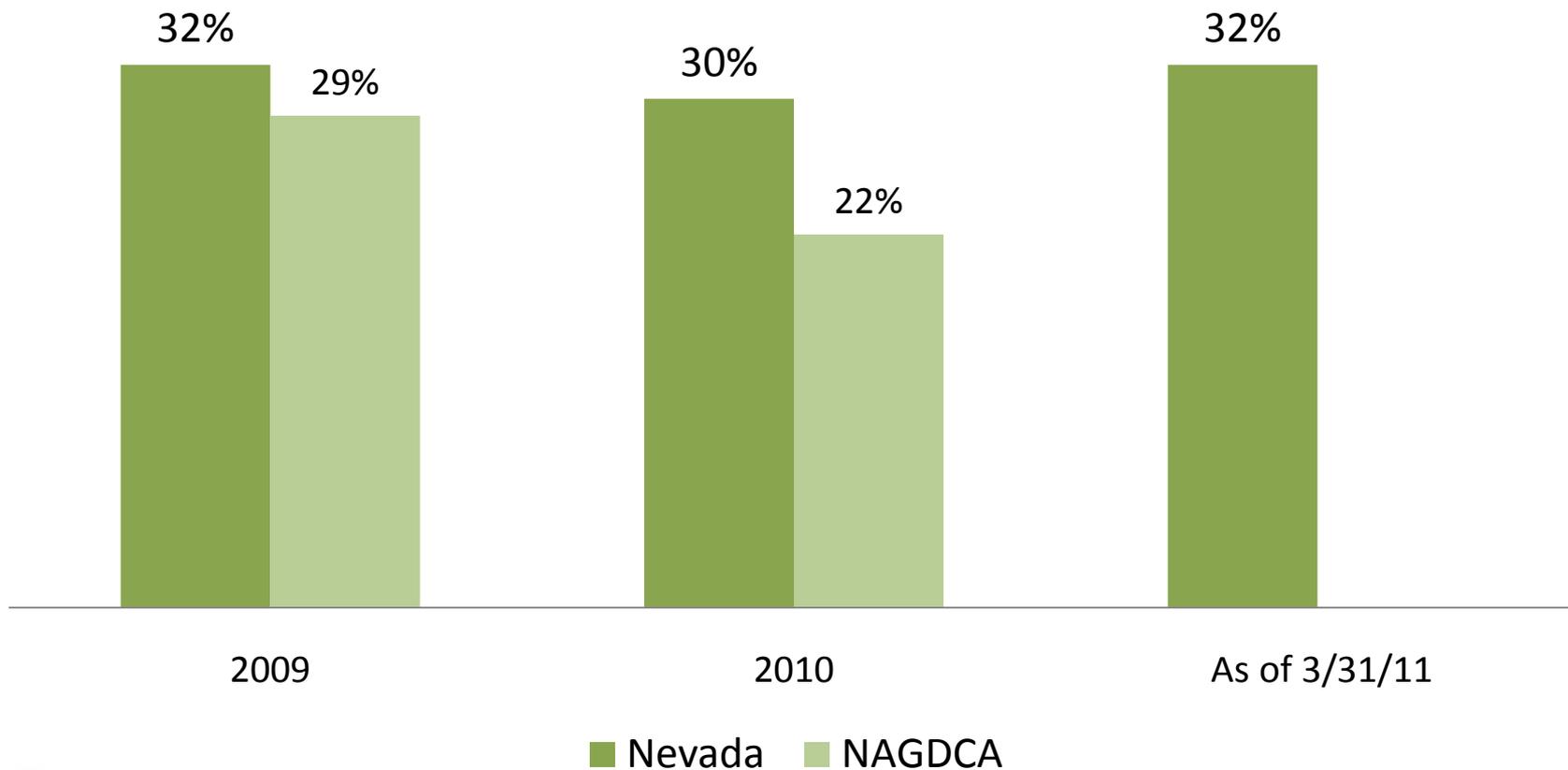
# Participation Totals



\*Data not reconciled with provider data



# NV Vs. National Participation Rates





# Peer Universe Rankings

## Rolling 5-year Performance Ranking (12.31.10)

Top Quartile:	31%	
<u>Top Half:</u>	<u>19%</u>	<u>50%</u>
Bottom Half:	46%	
Bottom Quartile:	4%*	

## Rolling 5-year Performance Ranking (3.31.10)

Top Quartile:	27%	
<u>Top Half:</u>	<u>31%</u>	<u>58%</u>
Bottom Half:	38%	
Bottom Quartile:	4%*	

## Rolling 5 year Risk/Reward Ranking (12.31.10)

Top Quartile:	28%	
<u>Top Half:</u>	<u>34%</u>	<u>62%</u>
Bottom Half:	34%	
Bottom Quartile:	4%*	

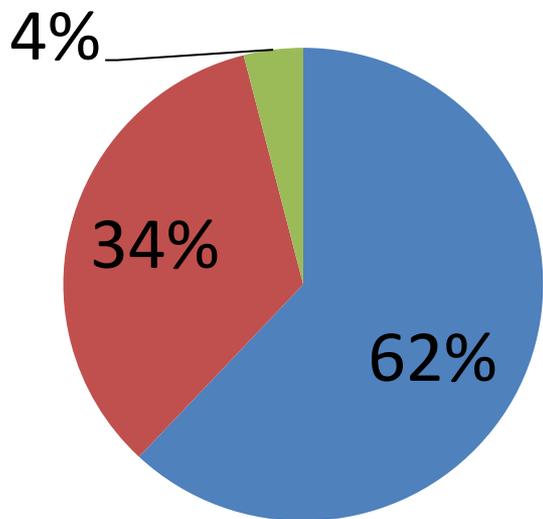
## Rolling 5 year Risk/Reward Ranking (3.31.10)

Top Quartile:	19%	
<u>Top Half:</u>	<u>35%</u>	<u>54%</u>
Bottom Half:	42%	
Bottom Quartile:	4%*	



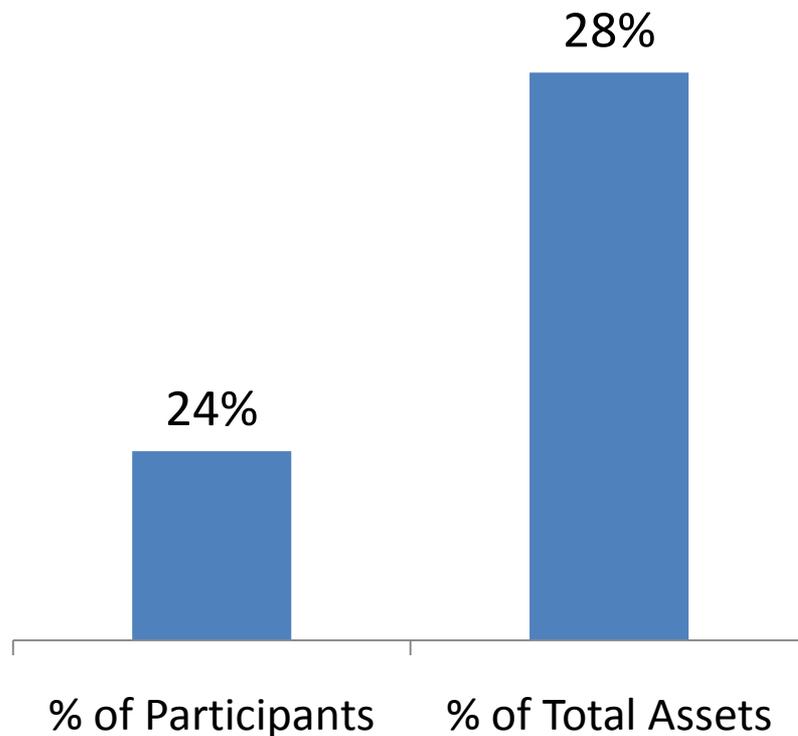
# % of Participants 100% Invested in Stable Value

## NAGDCA Survey



- 20% or less
- 21% - 50%
- Higher than 50%

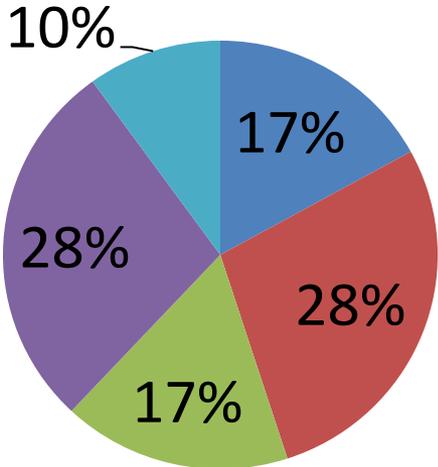
## Nevada as of 3.31.11





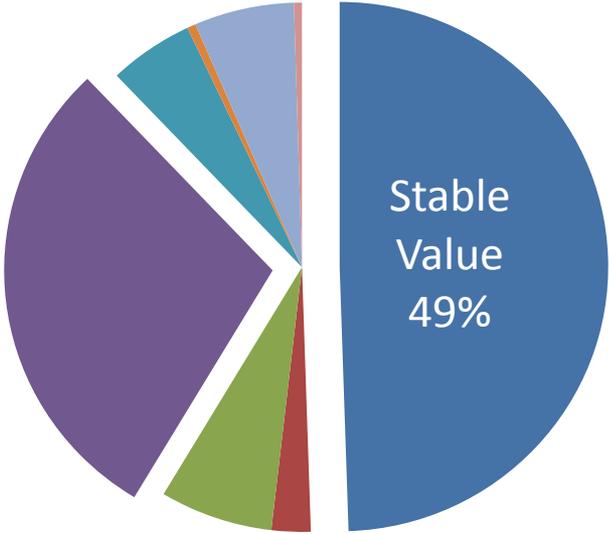
# Percentage of Plan Assets

## NAGDCA Survey



- 20% or less
- 21% - 30%
- 31% - 40%
- 41% - 50%
- Higher than 50%

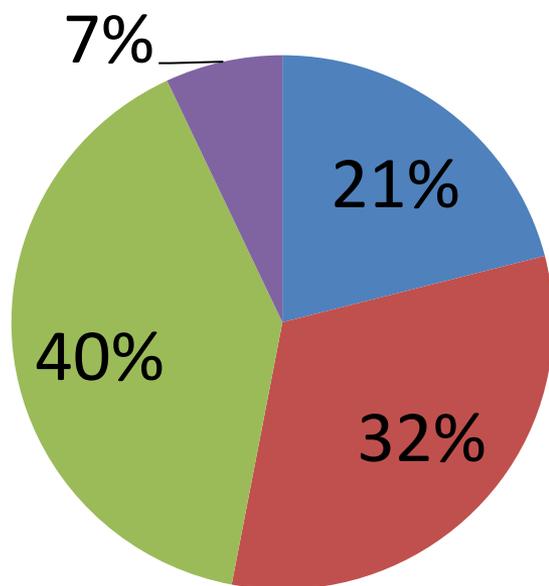
## Nevada (as of 3.31.11)





# Percentage of Contributions to Stable Value

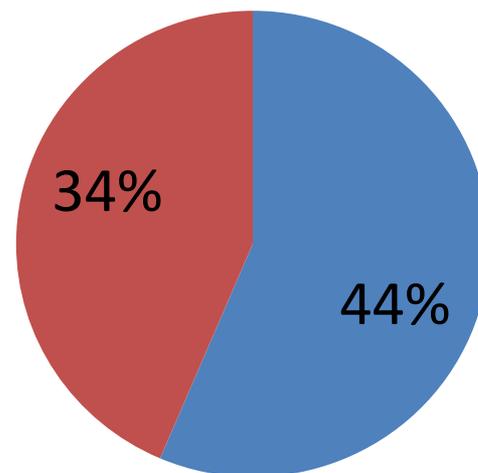
## NAGDCA Survey



■ 20% or less ■ 21% - 30%  
■ 31% - 40% ■ 41% - 50%



## Nevada 2010 Contributions

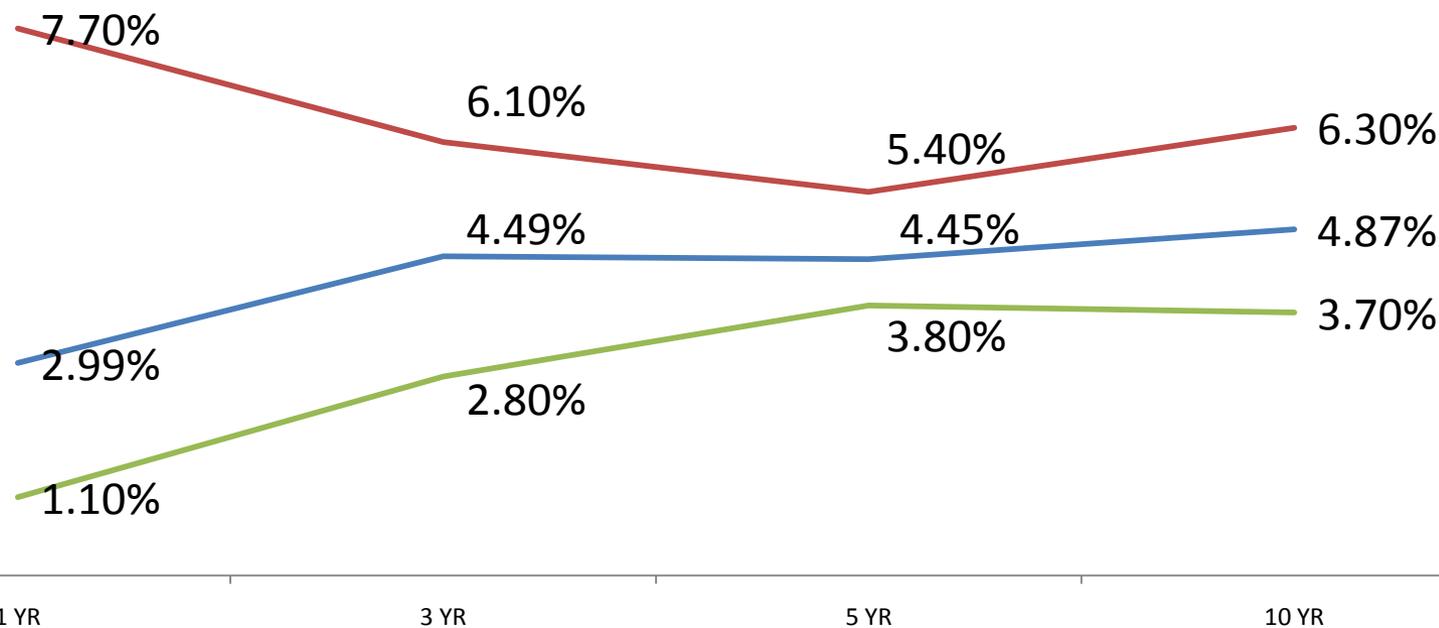


■ Stable Value ■ Other Options

\$19.3 million of \$43.38 million in contributions to stable value options in 2010.



# Historical Yields



— NAGDCA Survey

— Barclays Cap. US Aggregate

— Citigroup Tbill + 100 bp

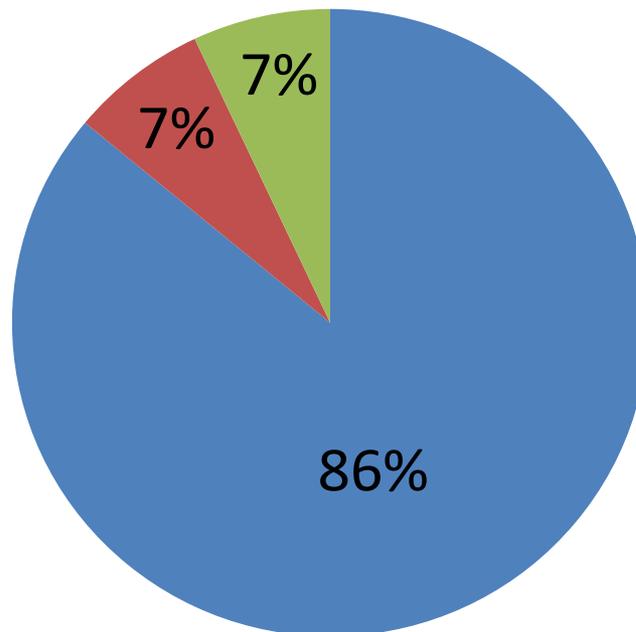


Deferred Compensation  
YOUR PLAN...YOUR FUTURE

NAGDCA data includes all types of stable value options. All data as of March 31, 2010.



# Types of Stable Value



■ Separate Account    ■ Comingled Account    ■ General Account

81% of separate and comingled accounts are synthetic GICs



# Plan Sponsor Responses to Staff Questions

- Transparency of fees and underlying investments
- Purchased Guaranteed Rate Floor (for an additional 15 bps.)
- Communicate, Communicate, Communicate
- More safety, lower fees, better returns
- Evaluated Several Alternatives, such as:
  - Guaranteed crediting rate reset quarterly based on underlying investments
  - Plan take ownership of assets (removed credit risk and provided transparency)
  - Provide complete portability of assets at end of contract period
  - Reduce market value adjustment (MVA) and other fees
  - Improve crediting rates



# Statement of Investment Policy

- **Amendment Summary**
  - Objectives of the Program
  - Purpose of the Statement of Investment Policy
  - Investment Fund Selection Criterion
  - Investment Structure, including Tiers
  - Investment Consultant Responsibilities

## **Recommended Motion:**

Motion to approve the Statement of Investment Policy as submitted or amended.



# Committee Fund Watch List

<b>Fund Name</b>	<b>Date Added</b>	<b>Reasons</b>	<b>Action</b>
Hartford Mid Cap	February 2011	Manager Change	Continue
American Funds Growth Fund of America	February 2011	Performance/Capacity	Continue
Invesco Van Kampen Equity & Income	February 2010	Manager Change (fixed income)	Continue
Lazard U.S. Mid Cap Equity Income	May 2008	Underperformance & Manager Change	Continue
Oppenheimer Main Street Small-Mid Cap	August 2009	Manager Change/Style Change	Continue
Mutual Global Discovery	February 2010	Manager Change	Continue
Munder Mid Cap Growth Fund	November 2010	Underperformance	Continue
Keeley Small Cap Value Fund	November 2010	Underperformance & Volatility	Continue



# Investment Consultant RFP

- Received 10 Bid Responses
  - Three Not Qualified
- Staff Recommendations:
  - Eliminate 5 Bids due to following:
    - Limited experience with 457(b) plans
    - Not Nevada specific/little knowledge of Nevada Plan
    - No compliance review ability
    - Excessive fees
  - Expenses Main Driver of RFP
    - Direct Staff to work with Mercer to renegotiate under current contract
    - Consideration of Arnerich Massena should negotiations be unsuccessful



# Recommended Motion

- Motion to direct Staff to work with Mercer and Legal to renegotiate under the current contract for a period of three-years with a possible two-year extension. Should the contract negotiations with Mercer be unsuccessful within the next 45 days, Staff is directed to contact references for Arnerich Massena and invite the firm to make a presentation at the August meeting.

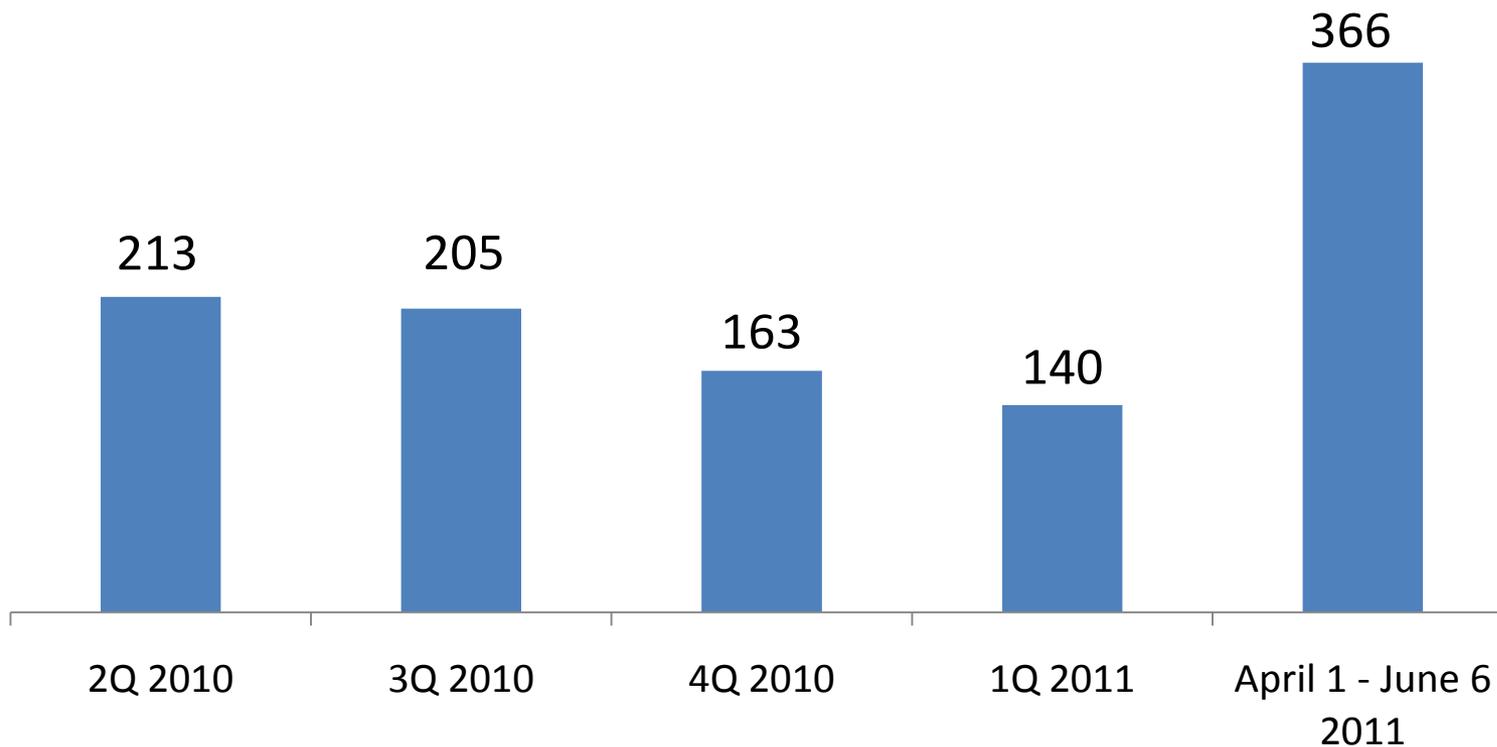


# Communication Update

- Highlights:
  - Winter/Spring Newsletters
  - Participant fee disclosure
  - Rollover Communication piece
  - Easy enrollment Mass E-mail
  - Mandatory FICA-Alternative distribution
  - Invesco (now AIM funds) Settlement
  - Restart and Increase Email– Mid-June
  - Summer Newsletter – Mid-July
  - Get Started with NDC - July 19
  - Retiree Education Day - July 26
  - EZ Enroll Campaign - Late August/September

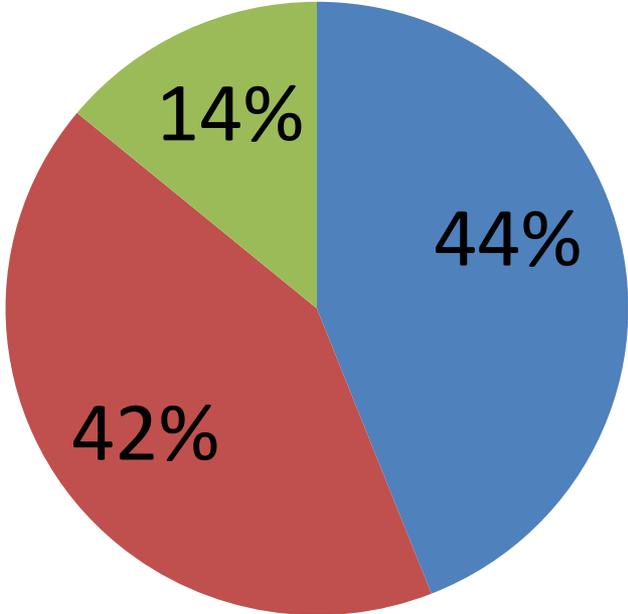


# New Enrollments





# EZ Enroll Regional Breakdown

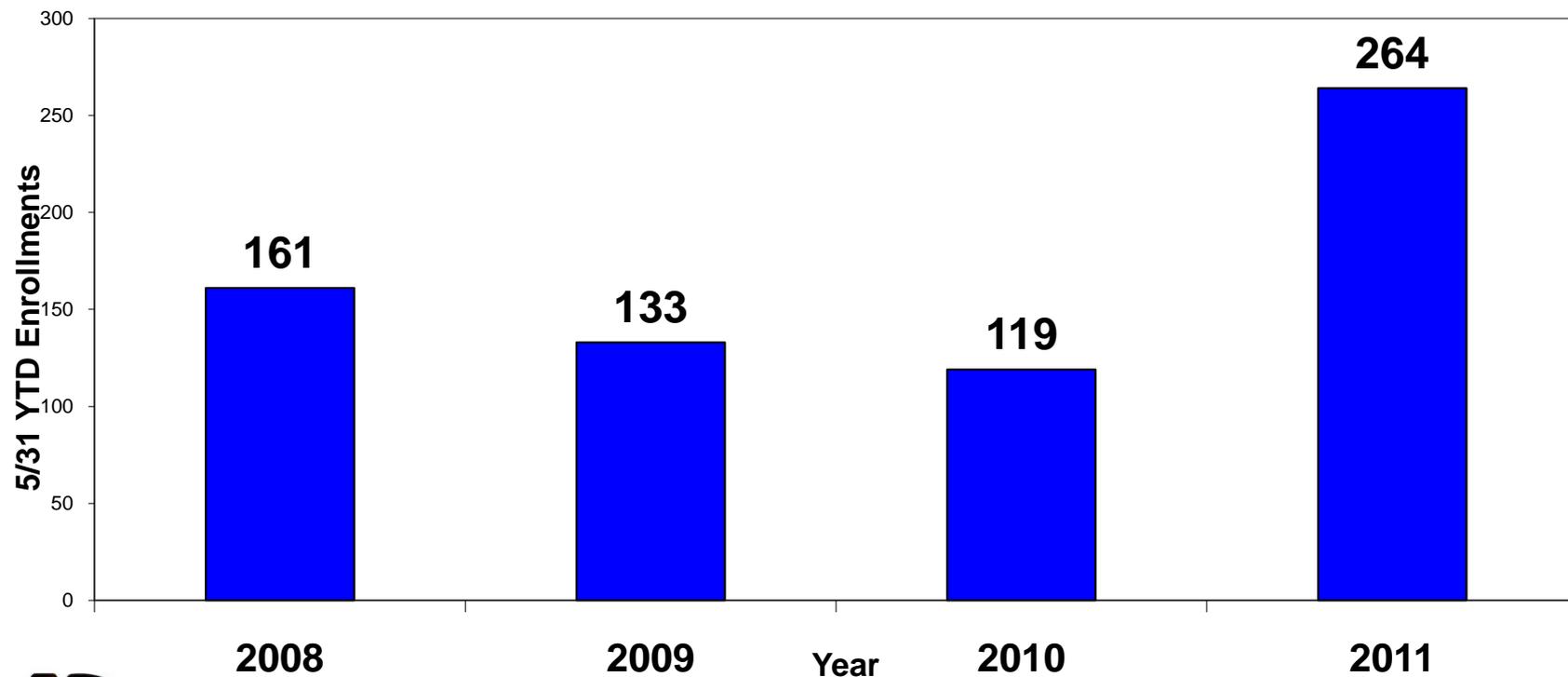


■ North ■ South ■ Rural



# ING Enrollment History

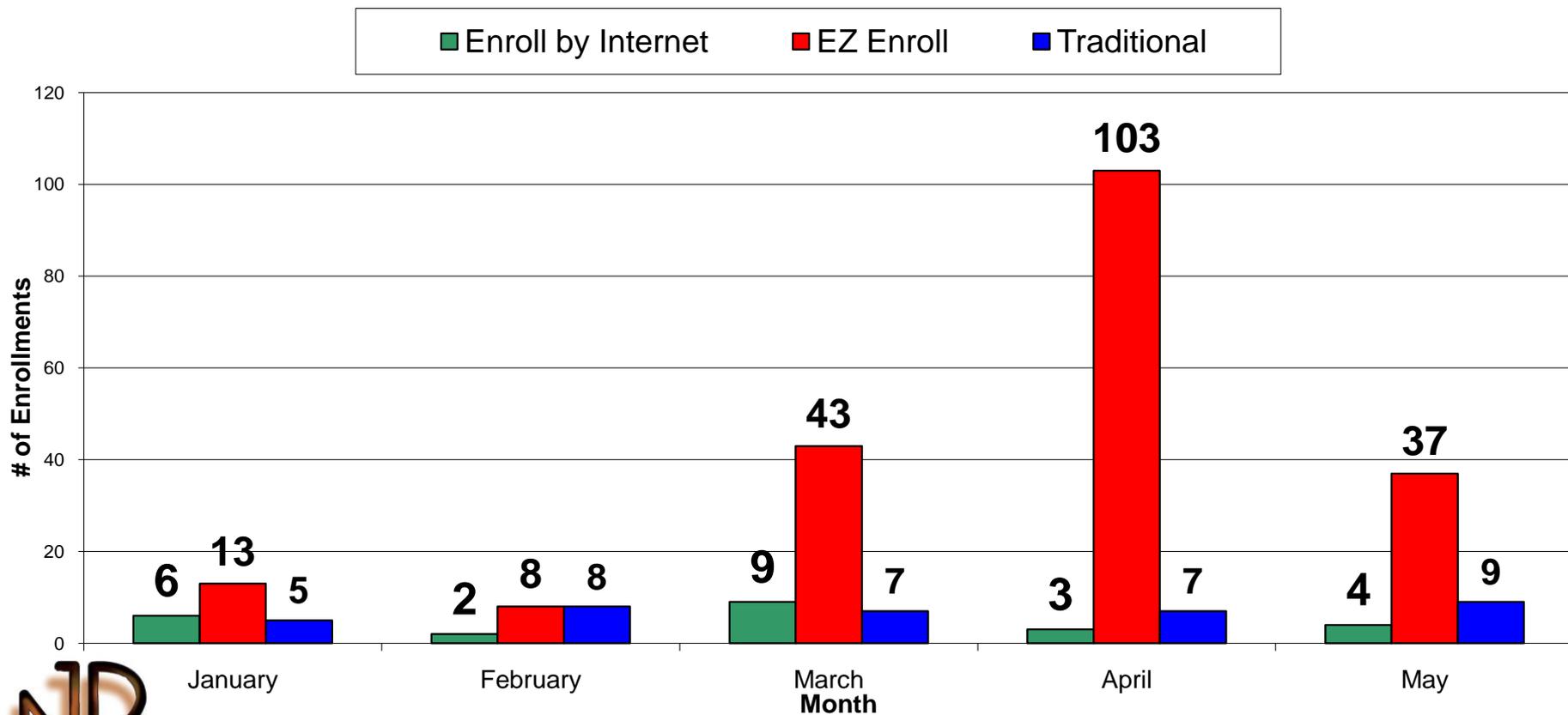
ING Enrollment History YTD 5/31





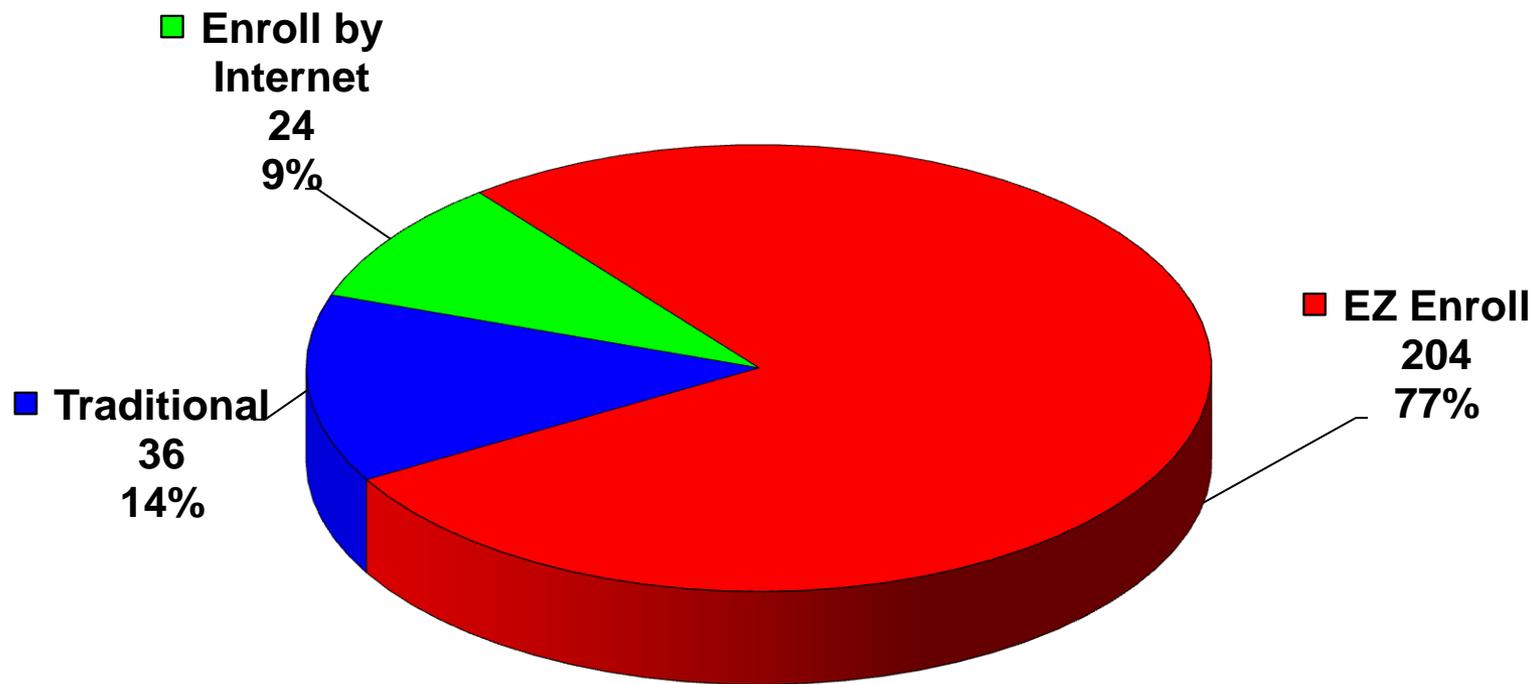
# ING Enrollment Statistics

## 2011 Monthly Enrollment Breakdown



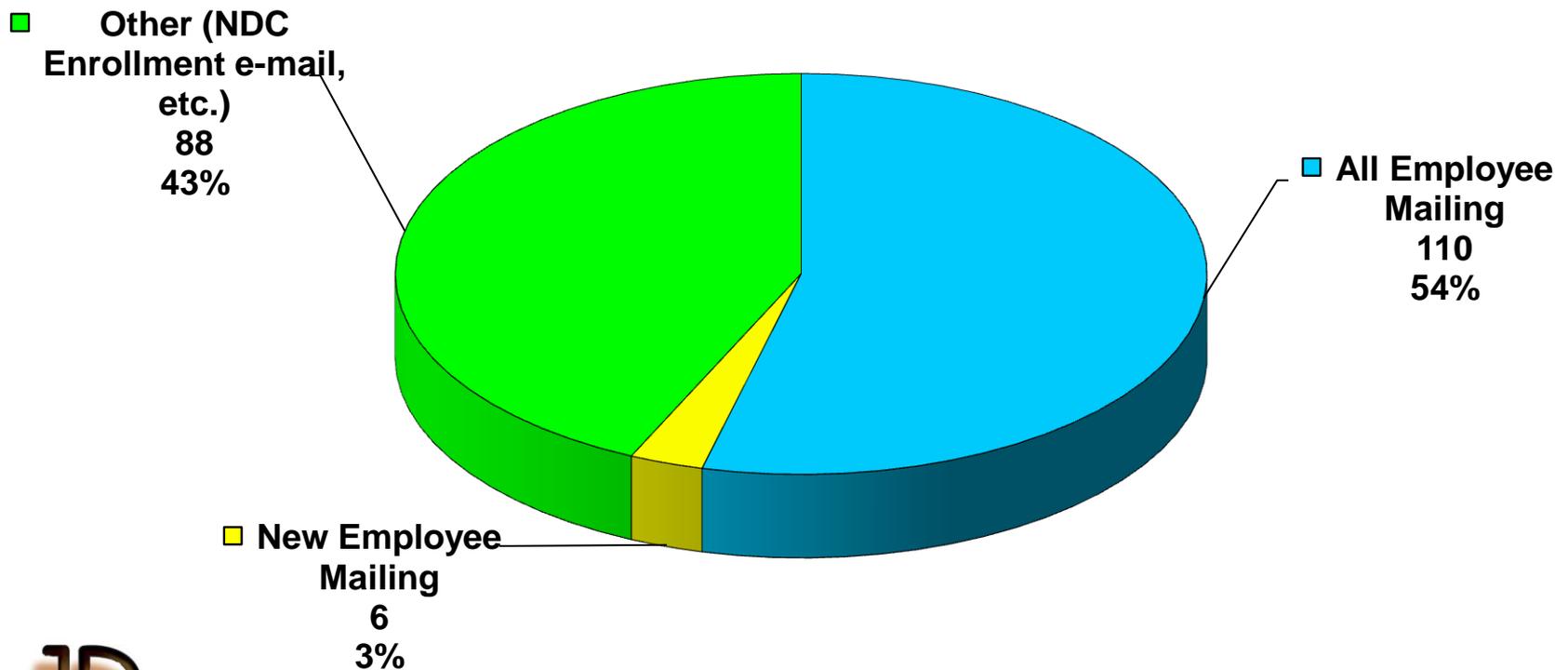


# ING 2011 Enrollments by Type





# 2011 ING EZ Enroll Activity





# Roth 457(b) Update

- Newsletter Information
- Mass Email
  - Payroll
  - Government Entities
- Website Update
- Next Steps
  - Legal Issues
    - Interlocal Agreements – two types
    - Plan Document Amendments
  - Roth Communication Planning
    - Education
    - Seminars
    - Payroll Assistance