



STATE OF NEVADA DEPARTMENT OF ADMINISTRATION

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Executive Officer

PUBLIC EMPLOYEES' DEFERRED COMPENSATION PROGRAM

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DEFERRED COMPENSATION COMMITTEE QUARTERLY MEETING MINUTES

Friday, December 5, 2025

The quarterly meeting of the Deferred Compensation Committee was held on Friday, December 5, 2025, at 9:00 a.m. by videoconference/teleconference and in person at the Nevada State Library and Archives Building, 100 N. Stewart Street, Topaz Conference Room, Carson City, Nevada.

A copy of meeting material including this set of meeting minutes, the agenda, and other supporting material, is available on the Nevada Deferred Compensation (NDC) website at:

https://defcomp.nv.gov/Meetings/2025/2025_Meetings/.

COMMITTEE MEMBERS

Aaron Cook

Jeff Ferguson

Kaela Neff

Samantha Jayme, Chair

OTHERS PRESENT

Bishop Bastien, Voya

Rob Boehmer, NDC Executive Officer

Rasch Cousineau, Fiduciary Consulting Group

Scott Darcy, Voya

Henna Rasul, Sr. Deputy Attorney General

Micah Salerno, NDC

1. Call to Order/Roll Call

Chairwoman Samantha Jayme called the meeting to order for the Nevada Deferred Compensation (NDC) Committee at 9:02 a.m. on Friday, December 5, 2025.

Mr. Rob Boehmer took the roll, determined a quorum was present, and confirmed the meeting was properly noticed and posted.

Committee Member Robin Hager was excused from the meeting.

The Committee welcomed newly appointed member, Mr. Aaron Cook.

2. Public Comment

There were no public comments.

3. For Possible Action- Approval of Nevada Public Employees' Deferred Compensation Program (NDC) Committee (Committee) meeting minutes for Committee Meeting held on May 28, 2025.

Motion by Mr. Jeff Ferguson to approve the minutes of the May 28, 2025, meeting. Seconded by Ms. Kaela Neff, the motion passed unanimously, 4-0.

4. For Possible Action – Receive, discuss, and approve Executive Officer’s Report of second and third quarter 2025.

Mr. Boehmer reviewed his quarterly report including:

- a. The FY2025 Budget Status Report (BSR) was provided.
 - i. Current projections of revenue based on up-to-date participant level and projection of expected reserve balance at the end of FY2025 were reported and reviewed. As of August 21, 2025, there was an estimated 57 days of reserves for the full-time Plan.
 - ii. The Administrative Account data and General Ledger were reported and reviewed. NDC Staff expected to have approximately \$20,000 surplus by the end of the year.
- b. Estimated total reserve balance as of September 30, 2025, was \$214,025.
- c. Estimated projected reserve balance for fiscal year 2027 was \$475,424 (approximately 252 days).
- d. Mr. Boehmer noted that contingency funds that were allocated from the State General Fund for cost-of-living increases were taken back due to budget shortfalls so it brought the reserve down significantly. Additionally, the FY26-27 approved budget was concerning because of the Administrative Services Division (ASD) cost allocation. Staff and Committee would draft a memo to ASD requesting additional details and justification for the projected cost increase. The Committee requested a response be provided at the January Planning Meeting.
- e. The Quarterly Plan Activity and Data Report was received and discussed. 3Q 2025 enrollments were 276 which was down by 93 when compared to 3Q 2024.
- f. Contract Management report:
 - i. Casey Neilon’s current contract expired July 31, 2025.
 - a) The Committee discussed releasing the Audit Request for Proposal (RFP) in January to allow time for Central Payroll to get things in order with the new payroll system. Once a new contract was in place there would be back-to-back audits for FY24 and FY25 due to the delay.
 - ii. Hyas Group contract expiration May 31, 2030.
 - iii. Voya Financial contract expiration December 31, 2029.
- g. The 2026/2027 Budget Build Report was received. Mr. Boehmer planned to include auto-enrollment again as well as submitting a policy change to allow for longer contract terms.
- h. A litigation update was provided by DAG Henna Rasul.

Motion by Mr. Ferguson to approve the Executive Officer report and Committee direction to draft a memo addressing the issues with the exorbitant increase in ASD cost allocation. Seconded by Ms. Neff, the motion passed unanimously, 4-0.

5. For Possible Action – Receive and approve Fiduciary Consulting Group Investment Consultant’s review of second and third quarter 2025.

Fiduciary Consulting Group (FCG) provided the Investment Consultant Review which included:

- a. The Second and Third Quarter 2025 Performance Reports – Features of the reports were:
 - i. Market Commentary –
 1. US Equities- The S&P 500 Index rose by 8.1%. Ten of 11 S&B 500 sectors posted positive returns in the quarter including Technology, Communication

Services, Consumer Discretionary, Utilities, Energy, Industrials, and Health Care. Other major US Equity indices gained for the quarter as well with the NASDAQ Composite Index increasing 11.4%; the Russell 2000 Index increased by 12.4%; and the Dow Jones Industrial Average rose by 5.7%.

2. International Equities- The MSCI Europe gained 3.5%, the MSCI Japan rose by 7.9%, and the MSCI Emerging Markets increased by 10.9%, all in US dollar terms.
3. Fixed Income- The yield on the 10-year US Treasury note closed the third quarter at 4.15%, while the three-month US Treasury bill yield ended at 3.93%. The Bloomberg US Aggregate Index, a general measure of US investment grade fixed income, increased 2.0% in the quarter.
4. Other News- Throughout the quarter, gold prices increased by 16.8%, up 46.7% year-to-date, while the US dollar rose by about 1.0%. The Federal Reserve opted to keep its policy rate unchanged at both its July and August meetings but reduced its federal funds target range by 25 basis points (0.25%) in September. Inflation data was moderately higher throughout the quarter, measuring at 2.9% in August, but labor markets weakened notably. Core PCE (Personal Consumer Expenditures) rose, measuring at 2.9% in August, still above the Fed's 2% target. Morgan Stanley's US Economics team updated their forecast to project 50 basis points (0.50%) of further reductions in 2025, followed by an additional 75 basis points of cuts in 2026, bringing the neutral rate to 2.75% to 3.00% by the end of 2026.

ii. Plan Data Review –

1. June 30, 2025, full-time Plans' assets were \$1,229,100,504 which represented a market gain of \$80,383,062 for the quarter. Net cash flow was negative for the quarter at (\$6,343,093) as well as negative year-to-date at (\$12,786,063). During the second quarter, \$5,883,436 transferred into fixed income.
2. September 30, 2025, full-time Plans' assets were \$1,286,479,972 which represented a market gain of \$57,379,468 for the quarter. Net cash flow was negative for the quarter at (\$8,314,608) as well as negative year-to-date at (\$21,100,671). During the third quarter, \$251,578 transferred into fixed income.

iii. Current Fund Lineup Overview and Performance Review –

- a) **MFS Value R4 (MEIJX)** – This fund was placed on watch in 4Q 2024 due to underperformance. In the three-month period ended September 30, 2025, MFS Value underperformed its Russell 1000 Value Index benchmark primarily due to security selection. Overweight positions in Cigna and Progressive cut into returns, and a more conservative portfolio positioning further weighed on performance. Sector allocation with a reduced exposure to Communication Services, added to the shortfall. The Committee agreed with FCG's recommendation to retain the fund on watch. FCG would provide an update at the next meeting.
- b) **American Funds EuroPacific Growth (RERGX)** – This fund was also placed on watch in 4Q 2024 due to underperformance. The fund lagged the MSCI ACWI ex-US Index over the three-month period ended September 30, 2025, because an overweight to growth stocks and security selection weighed on results. An overweight to Novo Nordisk and an underweight to strongly rising Alibaba were the largest detractors, more than offsetting gains from overweight holdings such as SoftBank Group and Banco Bilbao. A tilt toward higher-beta stocks helped but could not counter the negative stock picks. Over the last twelve months the strategy also underperformed, driven mainly by sector positioning. An underweight in Financials and an overweight in lagging

Health Care hurt most, and a modest underweight to banks together with an overweight to momentum further detracted. These headwinds outweighed benefits from overweight allocations to Information Technology and Industrials and from supportive high-beta exposures. The Committee agreed with FCG's recommendation to retain the fund on watch. FCG will provide an update at the next meeting.

- c) **Vanguard Target Retirement 2020 Fund** was out of performance compliance, trailing its benchmark and peer group for the five-year period. Since there were fewer than half of the vintages out of compliance (1/12), no action was needed. FCA would provide an update at the next meeting.
- d) **Sterling Capital Total Return Bond R6 (STRDX)** – Fiduciary Consulting Group recommended this fund be placed on watch for qualitative reasons due to the sale of Sterling to Desjardins Capital. No key personnel changes were anticipated, and the fund strategy, team, and investment guidelines were not expected to be impacted. The Committee agreed with FCG's recommendation and placed the fund on watch.

- iv. Plan Fee/Revenue Analysis – Third quarter fees were weighted at 23.2 basis points, which was down by 9.5 basis points since December 31, 2020. The difference in fees equated to \$1,272,000 per year in savings for NDC participants.

- b. The Quarterly Voya Fixed Account and Corporate Ratings Analysis (as of June 30, 2025) was reviewed and discussed.
 - i. The General Account benchmark was provided. The Voya General Account was underweight to US Government securities by 45.7% and overweight to MBS, Corporate Bonds, ABS, and CMBS by 5.5%, 8.8%, 6.5%, and 6.3%, respectively.
 - ii. Portfolio duration was provided (6.0 – 6.5 years).
 - iii. The full-time Plans' crediting rate was 3.60%. The FICA Alternative Plan rate was 3.0%.
 - iv. As an ongoing reminder, the analysis would typically be a quarter behind as it depended on Voya Wall Street data which was not usually available until after the NDC meeting took place.

- c. FCG would provide the annually updated Plan Fee Analysis at the January 15, 2026, Annual Planning Meeting.
 - i. FCG would also provide an updated Fee and Expense Policy Statement at the January 15, 2026, Annual Planning Meeting. The updated Fee Policy would reflect the new Voya full-time fees (\$5.50 per participant per year; previously \$14.50) and FICA Alternative fees (\$1.25 per participant per year; previously \$2.20).

- d. Fiduciary Consulting Group would provide a Compliance Audit at the 1Q 2026 quarterly review meeting (May 2026). The audit would focus on governance and plan design. FCG provides the audit every five years; the previous audit was provided at the 1Q 2021 meeting in June 2021.
- e. Legal and Regulatory Communication updates included:
 - i. Fiduciary Advisory Newsletter topics:
 1. **Final Catch-Up Contribution Regulations for Government Plans**
The IRS issued final regulations implementing the Roth catch-up provision under the SECURE 2.0 Act of 2022. Key points included: certain catch-up contributions by higher-income participants must be designated as Roth contributions. Regulations provide guidance for plan administrators on implementation, corrections, and deemed Roth elections. Governmental plans and plans under collective bargaining

agreements had a later applicability date, with flexibility for early “good faith” implementation. Good news for retirement plans that recent tax bills did not include any language to potentially convert pre-tax contributions to Roth. That had been a concern of many industry organizations including NAGDCA since converting retirement plans to Roth was considered low hanging “revenue fruit” by legislators to pay for spending bills.

2. House GOP Bill to “Codify” Trump Executive Order on Private Investments in DC Plan

House Republicans proposed on October 14, 2025, legislation that would expand defined contribution plans’ access to alternative investments. The Retirement Investment Choice Act, introduced by Representative Troy Downing, R-Montana, would codify the executive order signed by President Donald Trump in August that directed the Department of Labor and the Securities and Exchange Commission to provide regulatory guidance to allow alternative investments like private equity and digital assets to be eligible for inclusion on the investment menus of 401(k) and other DC retirement plans.

3. 2025 EBRI/Greenwald Retirement Confidence Survey

The RCS was the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and was conducted jointly by the Employee Benefit Research Institute (EBRI) and Greenwald Research. The most recent survey was the 35th annual Retirement Confidence Survey (RCS). Several of the key findings in the report were:

- Americans were concerned about changes to the retirement system, specifically reduction of Social Security and Medicare benefits.
- Social Security remained the top source of actual and expected income for Americans in retirement.
- Workers expected to retire later and planned to work during retirement.
- Health care expenses remained a concern for retirees.
- Workers found the cost of health care hindered their ability to save.
- Workers would like help saving for emergencies through their retirement plan.

4. Beware of DOL Cybersecurity Audits

The Department of Labor ("DOL") continued to focus on cybersecurity in its audits and investigations – often asking questions that extended beyond the set of best practices and tips it published in 2021.

Fiduciary Consulting Group would continue to provide updates regarding these topics and more as they became available.

Motion by Mr. Ferguson to approve the Fiduciary Consulting Group Investment Consultant third quarter 2025 Performance Report and watch list, adding Sterling Capital for qualitative reasons. Second, by Ms. Neff, the motion passed unanimously, 4-0.

6. For Possible Action – Receive and approve plan activity and service report from recordkeeper Voya Financial for second and third quarter 2025.

Voya Financial provided their Second and Third Quarter 2025 Reports for the periods ending June 30, 2025, and September 30, 2025. Highlights included:

- a. Voya's Plan activity:
 - i. As of December 4, 2025, total assets were over \$1.372 billion.
 - ii. Overall net cash flow was negative \$8.3 million for the quarter.
 - iii. Top rollover recipients were Charles Schwab and Fidelity.
- b. Voya's Communications update included:
 - i. A Participant Engagement Trends update was provided.
 - ii. The recent Nevada Saves Financial Education campaign was shared.
 - iii. The Committee would discuss additional education and communication ideas at the January 2026 Planning meeting.
- c. Voya's field activity update:
 - i. 276 new enrollments were received.
 - ii. 69 group meetings were held.
 - iii. 2,156 one-on-one meetings occurred.

Motion by Mr. Ferguson to approve the second and third quarter 2025 Voya Financial Plan Activity and Service Reports, seconded by Mr. Aaron Cook. The motion passed unanimously, 4-0.

7. For Possible Action – Discuss participation in the following training opportunities:
 - a. Institutional Investors Conference DC Institute, April 14-15, 2026, in Chicago, Illinois.
 - b. Pensions and Investments East Conference March 15-17, 2026, Ft. Lauderdale, Florida.

Mr. Boehmer asked anyone interested in attending to send their availability.

8. For Possible Action – Schedule upcoming NDC meeting dates.
 - a. The Annual Planning Meeting was confirmed for January 15, 2026
 - b. The 4Q 2025 Quarterly Meeting was scheduled for March 5, 2026
 - c. The 1Q 2026 Quarterly Meeting was scheduled for May 28, 2026

9. Committee Member comments

The Committee thanked NDC Staff and presenters and welcomed Mr. Cook.

10. Update from Investment Consultant

Fiduciary Consulting Group thanked the Committee and Staff.

11. Update from Recordkeeper

Voya thanked the Committee and Staff.

12. Administrative Staff/Department of Administration Updates

NDC staff thanked the Committee members, DAG Rasul, Fiduciary Consulting Group, and Voya.

13. Public Comment

There were no closing public comments.

14. Adjournment

The meeting was adjourned at 11:50 a.m.

Respectfully submitted,

Micah Salerno
NDC Management Analyst

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