

**Savings Board of Directors Board Meeting  
August 18, 2021  
MINUTES**

**Board Present:**

Chair John McMillan  
Ms. Heidi Lee  
Ms. Susan Tully  
Dr. Ken Tucker  
Dr. Jim Purcell  
Ms. Sara Calhoun for Mr. Jimmy Baker  
Mr. Jack Knight  
Ms. Judy Miller for Lt. Gov. Ainsworth  
Mr. Daniel Hughes  
Mr. Edward Reifenberg  
Mr. Ronald Stokes

**Board Absent:**

**Others Present:**

Ms. Daria Story, Assistant Treasurer  
Ms. Anita Kelley, Program Director  
Ms. Brittany Carter, External Affairs  
Mr. Chad Wright, Unclaimed Property Director  
Mr. Jay Steinacher, Union Bank & Trust  
Ms. Cari Kaup, Union Bank & Trust  
Ms. Annoesjka West, Callan  
Mr. Todd Carabasi, Callan  
Ms. Paola Juarez, Callan  
Mr. Rob Noe, Wilshire Associates  
Mr. John Nagle, Wilshire Associates  
Ms. Sally Riefenstahl, Sundry  
Mr. Brendon Taylor, Sundry  
Ms. Alexandra Cataldo, Sundry

Pursuant to written and public notice, the meeting of the Savings Board of Directors was held on August 18, 2021. As permitted by §16-33C-4 (f), Code of Alabama, as amended, the meeting was held by video conference with access posted on the Secretary of State's meeting notice in order to allow members of the public the opportunity to simultaneously listen to or observe the meeting.

The meeting was called to order by Chair McMillan at 9:00 a.m.

Roll was taken with a quorum present.

Chair McMillan presented the minutes of the May 25, 2021 Board meeting. A motion for approval was made by Dr. Tucker, seconded by Mr. Stokes, with unanimous approval.

Chair McMillan called on Sally Riefenstahl to present the quarterly ABLE report. Ms. Riefenstahl introduced the Sundry team members present. She stated that as of 6/30/21 there were \$483,449 assets under management and 90 funded accounts and \$455,964 in rollover contributions. She discussed demographic information regarding the beneficiaries and reported on call center operations and statistics. Ms. Kelley provided investment information for the Program and gave an update on marketing efforts and activities from the past quarter. The report was received as informational.

Chair McMillan called on Anita Kelley to give the program report for CollegeCounts. She provided information on the 2021 FY budget and discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$16,238,255 as of 6/30/21. She discussed the Marketing Report noting the record number of submissions received for 529 Day and updated the Board on the First Grade First Steps Folder program and the Teacher Mega Conference that she attended. Ms. Kelley read several thank you messages from students that have been awarded the scholarship. The written report was received as informational.

Chair McMillan called on Jay Steinacher and Cari Kaup with Union Bank and Trust for the quarterly program report. Ms. Kaup stated there were 106,092 active accounts with total assets in the plan of \$2.424 billion. This represents a 6% increase for the quarter and a 25.9% for the year. He stated the number of Alabama account holders is 66,822 with \$1.533 billion in plan assets. This is a 7.1% increase for the quarter and 32.5% for the year. Mr. Steinacher said YTD contributions were \$111.65 million of which rollover contributions were \$10.35 million. Ms. Kaup also provided additional information on contribution, withdrawal, and investment change activity. She discussed call center statistics and the most common topics account holders and advisors are contacting the call center. The written report was received as informational.

Chair McMillan called on Rob Noe and John Nagle of Wilshire Associates to review the investment performance report. Mr. Noe provided commentary on the economy including the U.S. and international equity markets, as well as the fixed income, real estate, and commodity markets as of 6/30/2021. He provided a first quarter performance summary of individual fund portfolios for both the Direct and Advisor Plans and discussed fund performance. He stated that the target portfolios for the Direct Plan performed in line with their benchmarks, fixed income managers had positive results, active U.S. equity managers had benchmark-like returns and active international equities slightly underperformed. He highlighted outperformer PGIM Total Return Bond Fund and noted that there were no funds that underperformed by 1% or greater. Regarding the Advisor Plan, he stated that target portfolios outperformed their benchmarks, active fixed income managers had positive results, active U.S. large cap equity managers slightly outperformed, active U.S. small cap equity managers underperformed, and active international equity managers had positive results. He discussed funds that outperformed such as Neuberger Berman International Large Cap and PGIM Total Return Bond and underperformers such as William Blair Small Cap and T. Rowe Price QM Small Cap Growth and Northern Small Cap Value. Mr. Noe stated that, as requested, Wilshire is reviewing the current Glide Path and Asset Allocation

for the Age Based Portfolios and the review and any recommendations will be presented at the November Board meeting. The written report was received as informational.

Chair McMillan called on Annoesjka West and Todd Carabasi with Callan to present the consultant's report. Ms. West introduced Paola Juarez and stated that she will now be a part of our Consultant team. She presented the Watch List and stated Callan recommends the Northern Trust Small Cap Value Fund (Advisor Plan- Underlying Fund) be added to the Watch List due to underperformance. She stated Callan recommends the DFA U.S. Small Cap Value fund (Direct Plan), the Dodge & Cox International Stock Fund (Direct Plan), and the William Blair Small Cap Value fund (Advisor Plan), remain on the Watch List. A motion to approve the Watch List was made by Dr. Tucker, seconded by Ms. Lee, with unanimous approval.

Ms. Kelley stated that the RFI for the annual Morningstar interview has been received and said the interview will take place in September.

Ms. Kelley noted the AKF Market Report included in the Board package.

There being no further business, a motion to adjourn was made by Chair McMillan, seconded by Dr. Tucker, with unanimous approval. The meeting adjourned at 10:11 a.m.

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Anita Kelley, Director

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Young Boozer, Chair