

**Savings Board of Directors Board Meeting
February 21, 2024
MINUTES**

Board Present:

Chair Young Boozer – in person
Mr. Edward Reifenberg – virtual
Mr. Ronald Stokes – virtual
Mr. Stephen Eberhart - virtual
Dr. Ken Tucker – in person
Ms. Sara Calhoun for Mr. Jimmy Baker – virtual
Mr. Daniel Hughes - virtual
Mr. Jack Knight - virtual

Board Absent:

Lt. Gov. Ainsworth
Ms. Susan Tully
Dr. Jim Purcell

Others Present:

Ms. Anita Kelley, Program Director – in person
Mr. Chad Wright, Assistant Treasurer – in person
Ms. Glenda Allred, Deputy Treasurer – in person
Ms. Kayla Bankston, Treasury – in person
Mr. Jay Steinacher, Union Bank & Trust – virtual
Ms. Cari Kaup, Union Bank & Trust – in person
Ms. Annoesjka West, Callan- in person
Mr. Rob Noe, Wilshire Associates - virtual
Mr. John Nagle, Wilshire Associates - virtual
Mr. Daniel Nzouankeu, Vestwell – virtual
Mr. David Bell, Vestwell – virtual
Mr. Sinan Basagic, Vestwell – virtual
Mr. Brian Key, Copperwing – in person
Mr. David Sengkhammee, Copperwing – in person

Pursuant to written and public notice, the meeting of the Savings Board of Directors was held in the RSA Union Conference Room in Montgomery, AL on February 21, 2024, with participation also allowed by electronic means in accordance with §16-33C-4 (f), Code of Alabama, as amended.

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

Roll was taken with a quorum present.

- I. Minutes - Chair Boozer presented the minutes of the November 15, 2023 Board meeting. A motion for approval was made by Mr. Reifenberg, seconded by Mr. Stokes, with unanimous approval.

II. Alabama ABLE Savings Plan

A. Quarterly Reports

1. Vestwell Quarterly Report - Chair Boozer called on Daniel Nzouankeu to present the quarterly ABLE report. Mr. Nzouankeu stated that as of 12/31/23 there were \$4,144,851 assets under management, 815 funded accounts, and \$116,704 in rollover contributions for this quarter. He discussed demographic information regarding the beneficiaries and reported on call center operations and statistics. The report was received as informational.

2. Program Report - Ms. Kelley provided investment information for the program and gave an update on marketing efforts and program activities from the past quarter and upcoming events that she will attend. The report was received as informational.

3. Copperwing – Ms. Kelley called on Mr. Key and Mr. Sengkhammee with Copperwing to present the marketing campaign proposal for the 1st and 2nd Quarter of 2024. They presented the campaign objectives, target audiences, and proposed creative strategies which included billboard, radio, social media, and digital ads. The report was received as informational.

III. CollegeCounts 529

A. Quarterly Reports

1. Program Report - Chair Boozer called on Anita Kelley to give the program report for CollegeCounts. She provided information on the budget for the 1st quarter of 2024. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$15,641,918 as of 12/31/23. Ms. Kelley gave an update on marketing activities which included sharing photos and videos from the recent photo shoot conducted by Big that will be used throughout all marketing collateral. She stated the scholarship application period will end on 2/29. Due to the issues with FAFSA this year, the application was modified to allow for 2022 tax information to be used. The written report was received as informational.

2. Union Bank and Trust Plan Overview & Statistics - Chair Boozer called on Jay Steinacher and Cari Kaup with Union Bank and Trust for the quarterly program report. Mr. Steinacher stated there were 117,640 active accounts with total assets in the plan of \$2.484 billion. This represents an 8.9% increase in assets for the quarter and a 14.9% increase for the year. He stated the number of Alabama account holders is 75,564 with \$1.735 billion in plan assets. This is a 10.2% increase in Alabama assets for the quarter and 19.7% increase for the year. Mr. Steinacher said calendar year contributions were \$219.2 million, of which rollover contributions were \$20.34 million. Ms.

Kaup provided detailed information on assets, accounts, investments, contributions, and withdrawals. She discussed call center statistics, and the most common topics account holders and advisors are contacting the call center about. The written report was received as informational.

3. Wilshire Investment Performance - Chair Boozer called on Rob Noe 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 12/31/23 as well as 1/31/24. He provided the quarterly performance summary of individual fund portfolios for both the Direct and Advisor Plans and discussed fund performance. He stated the target portfolios for the Direct Plan had strong absolute performance. Active fixed income managers had mostly positive relative performance, while active U.S. equity managers had mixed performance, and active international equity managers underperformed. There were no notable outperformers. He highlighted outperformer Dodge & Cox International Stock. Regarding the Advisor Plan, he stated that target portfolios had strong absolute performance. Active fixed income managers had mostly positive relative performance, and active U.S. equity managers had weaker relative performance. Active international equity managers had mixed performance, and real estate managers outperformed. Mr. Noe highlighted outperformer DFA Real Estate and underperformer T. Rowe Price Small Cap Value. He also highlighted the 2023 outperformers DFA Small Cap Value, T. Rowe Price Large Cap Growth, and PGIM Total Return Bond and 2023 underperformers Neuberger Berman International and DFA Real Estate. The written report was received as informational.

4. Callan Consultant's Report – Chair Boozer called on Annoesjka West with Callan to present the Consultant's Report. Ms. West announced there were two manager updates to discuss. Ms. West discussed the recent retirement announcement of Sudhir Nanda, portfolio manager of the Integrated US Small-Cap Growth Equity Strategy for T. Rowe Price. His retirement will be effective at the end of 2024. She said that David Corris and Prashant Jeyaganesh joined the strategy as associate portfolio managers, effective February 1, 2024 and on May 1, 2024 will become co-portfolio managers with Sudhir remaining as lead manager until August. Callan is cautionary of the upcoming retirement and will monitor the portfolio closely over the next year to ensure there are no meaningful changes to the portfolio during the transition. Ms. West also stated that the Global Head of Research and Portfolio Strategies for Principal has voluntarily resigned to join another firm. Principal has begun an external search to replace this position. She said this is a notable event that warrants monitoring. Ms. West reviewed the current Watch List and noted that no new funds are recommended to be added and no funds are recommended to be removed.

B. Decision Item - Approval of Watch List Recommendations – Ms. West stated Callan recommends the Northern Trust Small Cap Value (Advisor Plan – underlying fund), the T. Rowe Price Balanced Fund (Advisor and Direct Plans), and the Principal Global Real Estate Fund (Advisor Plan – underlying fund) remain on the Watch List. A motion to approve the Watch List as presented was made by Dr. Tucker, seconded by Mr. Stokes, with unanimous approval.

C. Informational Items

1. CollegeCounts Annual Audit – Mr. Steinacher said the annual audit by BKD was performed and completed by FY 2023 and no exceptions were found. The Board received the audit as informational.

2. Statement of Economic Interest Forms – Ms. Kelley stated the forms are due by 4/30.

IV. There being no further business, a motion to adjourn was made by Mr. Reifenberg, seconded by Dr. Tucker with unanimous approval. The meeting adjourned at 10:13 a.m.

Anita Kelley, Director

Young Boozer, Chair