

**Savings Board of Directors Board Meeting  
May 24, 2023  
MINUTES**

**Board Present:**

Chair Young Boozer – in person  
Mr. Edward Reifenberg – in person  
Mr. Jack Knight – virtual  
Mr. Ronald Stokes – virtual  
Ms. Dee Woodham – virtual  
Mr. Daniel Hughes - virtual  
Dr. Ken Tucker – virtual

**Board Absent:**

Lt. Gov. Ainsworth  
Dr. Jim Purcell  
Ms. Sara Calhoun for Mr. Jimmy Baker  
Ms. Susan Tully

**Others Present:**

Mr. Chad Wright, Assistant Treasurer – in person  
Ms. Anita Kelley, Program Director – 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  
Ms. Paola Cardenales, Callan - virtual  
Mr. Rob Noe, Wilshire Associates - in person  
Mr. John Nagle, Wilshire Associates - virtual  
Ms. Sally Riefenstahl, Vestwell - virtual  
Mr. Daniel Nzouankeu, Vestwell - virtual

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 May 24, 2023, 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. Chair Boozer presented the minutes of the February 22, 2023 Board meeting. A motion for approval was made by Dr. Tucker, seconded by Mr. Reifenberg, 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 3/31/23 there were \$2,813,135 assets under management, 614 funded accounts, and \$83,383 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.

### B. Decision Item – FY 2024 Marketing Proposal

1. Ms. Kelley presented information on the past and current budgets and expenses for ABLE. She discussed the current number of accounts and the number of eligible account owners in the state of Alabama. She gave information on other state's ABLE marketing budgets as well as the budget for CollegeCounts. She stated that there is great opportunity for new accounts and the biggest barrier is lack of awareness of the program. Ms. Kelley proposed issuing an RFP for professional marketing services to increase awareness of the Alabama ABLE Savings Plan and to target eligible individuals and organizations that provide services to these individuals. Mr. Hughes stated that he was in support of hiring a marketing firm and for Ms. Kelley to determine what success looks like in regard to new accounts and growth of the Program.

2. Chair Boozer presented a resolution to approve the issuance of an RFP for fiscal year 2024 marketing services of the Alabama ABLE Savings Plan. A motion for approval was made by Mr. Hughes, seconded by Mr. Reifenberg, with unanimous approval.

## 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. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$14,334,970 as of 3/31/23. She also gave an update on scholarship applications and upcoming events that will be attended to promote CollegeCounts. Ms.

Woodham asked that a breakdown of the annual marketing spend be provided at the next board meeting. The written report was received as informational.

2. Union Bank and Trust Plan Overview & Statistics - Chair Boozer called on Cari Kaup with Union Bank and Trust for the quarterly program report. Ms. Kaup stated there were 114,228 active accounts with total assets in the plan of \$2.277 billion. This represents a 5.3% increase for the quarter and a 5.2% decrease for the 1-year timeframe. She stated the number of Alabama account holders is 73,443 with \$1.546 billion in plan assets. This is a 6.6% increase for the quarter and 1.9% decrease for the 1-year timeframe. Ms. Kaup said quarter contributions were \$55.8 million, of which rollover contributions were \$5.24 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. 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 3/31/23 as well as 4/30/23. He provided the quarterly 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 had positive absolute performance. Fixed income managers had mostly positive relative performance, active U.S. equity managers saw mixed performance, and active international equity managers underperformed. He highlighted underperformer Dodge & Cox International Stock. Regarding the Advisor Plan, he stated that target portfolios had positive absolute performance. Active fixed income managers had positive relative performance while active U.S. equity managers and active international equity managers had mixed relative performance. Mr. Noe highlighted outperformers Vanguard Emerging Markets Select Stock, DFA International Small Company Funds, and Principal Global Real Estate, and underperformer Neuberger Berman International Large Cap Funds. Mr. Noe gave a manager update of the acquisition of Credit Suisse by UBS Group. He said that Wilshire is not currently recommending the removal of the Credit Suisse Commodity Return strategy, but this notable change presents an opportunity to look at other fund options within the Commodity space to potentially upgrade in terms of manager quality and lower fees. Discussion ensued and the Board as well as Callan agreed that Wilshire should look for other fund options to replace Credit Suisse and present them at the August board meeting. Mr. Hughes asked that Wilshire and Callan look at the portfolio and identify any exposures that we may need to be aware of in regard to the Watch List, such as commercial REITS and regional banks. 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 reviewed three Manager/Product updates. T. Rowe Price appointed Jon Friar as APM of US Large Cap Growth Equity. Principal Asset Management announced several internal reporting adjustments. While the reporting lines will be changing, the team's investment approach and resources will remain the same. Ms. West stated AllianceBernstein is parting ways with roughly 4% of employees. The firm felt it needed to conduct the cost-cutting exercise to remain competitive and decided to right-size overall headcount rather than reduce compensation across the board. The departures should not significantly impact any of the respective teams' ability to maintain their quantitative and/or fundamental processes. Callan will pay close attention to the team morale and watch for any more departures, though they do not expect any further layoffs at the firm level.

B. Decision Item – Approval of Watch List Recommendations - Ms. West presented the Watch List and stated Callan has no recommendations for any new funds to be added or funds be removed from the current List. She said that Callan recommends the Northern Trust Small Cap Value (Advisor Plan – underlying fund) and T. Rowe Price Balanced Fund (Advisor and Direct Plans) remain on the Watch List. A motion to approve the Watch List as presented was made by Mr. Hughes, seconded by Mr. Reifenberg, with unanimous approval.

IV. There being no further business, a motion to adjourn was made by Mr. Knight, seconded by Mr. Stokes with unanimous approval. The meeting adjourned at 10:18 a.m.

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Anita Kelley, Director

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Young Boozer, Chair