

**Savings Board of Directors Board Meeting
November 15, 2023
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

Board Absent:

Lt. Gov. Ainsworth
Mr. Jack Knight
Mr. Daniel Hughes
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
Ms. Daria Story, Deputy Treasurer, virtual
Mr. Jay Steinacher, Union Bank & Trust – in person
Ms. Cari Kaup, Union Bank & Trust – in person
Ms. Annoesjka West, Callan- in person
Mr. Rob Noe, Wilshire Associates - in person
Mr. John Nagle, Wilshire Associates - 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 November 15, 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. Minutes - Chair Boozer presented the minutes of the August 23, 2023 Board meeting. A motion for approval was made by Dr. Tucker, seconded by Ms. Calhoun, 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 9/30/23 there were \$3,497,648 assets under management, 740 funded accounts, and \$59,484 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. ABLE Marketing Firm – Ms. Kelley reported that Copperwing was chosen as the marketing firm from the RFP responses that were received. The contract will be effective 1/01/24.

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 both FYE 23 and FY 24. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$14,227,059 as of 9/30/23. Ms. Kelley gave an update on marketing activities. 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 115,938 active accounts with total assets in the plan of \$2.280 billion. This represents a 3.9% decrease in assets for the quarter and a 5.4% increase YTD. He stated the number of Alabama account holders is 74,447 with \$1.575 billion in plan assets. This is a 3.1% decrease in Alabama assets for the quarter and 8.6% increase YTD. Mr. Steinacher said YTD contributions were \$147.8 million, of which rollover contributions were \$16.7 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 9/30/23 as well as 10/31/23. 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 negative absolute performance. Active fixed income managers had mostly positive relative performance, while active U.S. equity managers and active international equity managers outperformed. He highlighted outperformers Dodge & Cox International Stock, DFA Small Cap Value, Vanguard Explorer, and DFA Large Cap Value. There were no notable underperformers in the Direct Plan. Regarding the Advisor Plan, he stated that target portfolios had negative absolute performance. Active fixed income managers and active U.S. equity managers had mostly positive relative performance. Active international equity managers underperformed. Mr. Noe highlighted outperformers T. Rowe Price Large Cap Growth and DFA Large Cap Value, and underperformers Vanguard Emerging Markets Select Stock, T. Rowe Price Small Cap Value, and Neuberger Berman International. 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 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. Morningstar Ratings – Treasurer Boozer and Mr. Steinacher discussed the 2023 Morningstar Ratings and stated that both plans remained the same rating as the previous year with the Direct Plan rating Bronze and the Advisor Plan rating Neutral.

2. 2024 – Board Meeting Dates – Ms. Kelley listed the 2024 Board Meeting Dates.

IV. Chair Boozer wished everyone a Happy Thanksgiving and Happy Holidays. There being no further business, a motion to adjourn was made by Dr. Tucker, seconded by Mr. Stokes with unanimous approval. The meeting adjourned at 10:17 a.m.

Anita Kelley, Director

Young Boozer, Chair