

**Savings Board of Directors Board Meeting
November 20, 2024
MINUTES**

Board Present:

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

Board Absent:

Lt. Gov. Ainsworth
Mr. Jack Knight
Dr. Jim Purcell
Ms. Susan Tully

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 - in person
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
Mr. Daniel Nzouankeu, Vestwell – in person
Mr. David Bell, Vestwell - virtual
Mr. David Sengkhammee, Copperwing - 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 20, 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 9:07 a.m.

Chair Boozer appointed Ron Stokes as Vice Chair of the Savings Board.

Chair Boozer appointed Anita Kelley as Secretary of the Savings Board.

Roll was taken with a quorum present.

- I. Minutes - Chair Boozer presented the minutes of the August 21, 2024 Board meeting. A motion for approval was made by Mr. Hughes, 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 09/30/24 there were \$5,933,218 assets under management, 1,229 total accounts, and \$193,244 in rollover contributions for the quarter. He discussed demographic information regarding the beneficiaries and reported on call center operations and statistics. Mr. Nzouankeu spoke on recent and upcoming upgrades to the Vestwell platform. 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. The report was received as informational.
 3. Copperwing – Ms. Kelley called on Mr. Sengkhammee with Copperwing to present an update on the Marketing Campaign. He reviewed information and results on digital outdoor billboards, radio PSAs, streaming audio, social media, and digital display. He also reviewed website analytics including new users, top traffic sources, and the pages where users are spending the greatest amount of time. The report was received as informational.
 - B. Decision Item – Paper Statement Fee
 1. Mr. Nzouankeu presented information on the current paper statement fee for account owners electing not to receive statements electronically. The current fee is \$10.00 per year. This fee includes not only statements but Program Disclosure Statement updates and tax information. Due to increase in costs, Vestwell is proposing the fee increase to \$20.00 per year starting January 1, 2025. There are only 30 accounts that receive paper statements currently. All of these account owners will be contacted by phone to not only inform them of the increase, but give them directions on how to sign up for free electronic versions of these documents.
 2. Chair Boozer presented a resolution to approve an amendment to the contract between the Savings Board and Vestwell Holdings, Inc. to increase the paper statement fee from \$10.00 to \$20.00 per year. A motion to approve the resolution was made by Dr. Tucker, 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 for 2024 and 2025 fiscal years. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$17,255,148 as of 09/30/24. Ms. Kelley gave an update on the scholarship application period beginning 12/01/24 and noted the update in the maximum ACT score which changed from 26 to 29. Cari Kaup provided an update on the website redesign, the 2025 marketing plan, grass roots activities, and webinars. The 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. Ms. Kaup stated there were 121,076 active accounts with total assets in the plan of \$2.773 billion. This represents a 3.6% increase in assets for the quarter and a 21.6% increase for the one-year period. She stated the number of Alabama account holders is 77,969 with \$1.988 billion in plan assets. This is a 4.6% increase in Alabama assets for the quarter and 26.2% increase for the one-year period. Ms. Kaup said YTD contributions were \$145.2 million, of which rollover contributions were \$16.6 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 as well as efforts of outreach staff. 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 09/30/24 as well as for the month of October 2024. 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 mixed relative performance, active U.S. equity managers underperformed, and active international equity managers had positive relative performance. He stated notable outperformers were Dodge & Cox International Stock and underperformers were DFA Small Cap Value and DFA Large Cap Value for the quarter. Regarding the Advisor Plan, he noted target portfolios had strong absolute performance. Active fixed income managers had mostly weak relative performance and active international equity managers underperformed. Active U.S. equity managers and real estate managers had mixed positive relative performance. Mr. Noe highlighted outperformer DFA Real Estate and underperformers DFA Large Cap Value, Vanguard Emerging Markets Select Stock, and DFA International Small Company. 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 discussed Advisor and Direct Plan performance and said there were no product or manager updates to discuss. She 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. State Examiner's Report for Fiscal Years 2018-2023 - Ms. Kelley provided information on the State Examiner's examination that was recently conducted. She stated there were no findings during the period examined. The report was received as informational.

2. Morningstar Ratings – Chair Boozer discussed the 2024 Morningstar ratings for both the Advisor and Direct Plans.

3. Saving for College Ratings – Chair Boozer discussed the Saving for College ratings for both the Advisor and Direct Plans.

4. Dr. Ken Tucker – State Treasure Resolution – Chair Boozer presented a resolution recognizing Dr. Ken Tucker's service as a Board Member since 2015. The resolution noted his impact on all three of the Savings Division programs and acknowledged how much he will be missed upon his retirement in December.

5. 2025 Board Meeting Dates – Ms. Kelley noted the 2025 Board Meeting Dates.

IV. There being no further business, a motion to adjourn was made by Dr. Tucker, seconded by Mr. Reifenberg, with unanimous approval. The meeting adjourned at 10:39 a.m.

Anita Kelley, Director

Young Boozer, Chair