

**Savings Board of Directors Board Meeting  
February 19, 2025  
MINUTES**

**Board Present:**

Chair Young Boozer - in person  
Mr. Cade Warner for Lt. Gov. Ainsworth – in person  
Ms. Susan Tully - virtual  
Mr. Stephen Eberhart - virtual  
Dr. Charles Karr – in person  
Mr. Daniel Hughes - virtual

**Board Absent:**

Mr. Jack Knight  
Dr. Jim Purcell  
Mr. Edward Reifenberg  
Mr. Ronald Stokes  
Ms. Sara Calhoun for Mr. Jimmy Baker

**Others Present:**

Ms. Anita Kelley, Program Director - in person  
Mr. Chad Wright, Assistant 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  
Ms. Paola Cardenales, Callan – in person  
Mr. Rob Noe, Wilshire Associates – virtual  
Mr. Daniel Nzouankeu, 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 February 19, 2025 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.

Chair Boozer introduced new board member, Dr. Charles Karr.

Chair Boozer introduced the Lt. Gov.'s designee, Mr. Cade Warner.

Roll was taken with a quorum present.

- I. Minutes - Chair Boozer presented the minutes of the November 20, 2024 Board meeting. A motion for approval was made by Dr. Karr, seconded by Mr. Warner, with unanimous approval.
- II. Alabama ABLE Savings Plan Quarterly Reports
  - A. Vestwell Quarterly Report - Chair Boozer called on Daniel Nzouankeu to present the quarterly ABLE report. Mr. Nzouankeu stated that as of 12/31/24 there were \$6,923,217 assets under management, 1,328 total accounts, and \$186,390 in rollover contributions for the quarter. He discussed demographic information regarding the beneficiaries and reported on call center operations and statistics. The report was received as informational.
  - B. Investment Report and Program Activities – Chair Boozer stated that HB 52 regarding the ABLE tax deduction that will sunset 12/31/2025 received a favorable vote in committee and will be placed on the legislative calendar for further action. 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.
  - C. Copperwing – Ms. Kelley called on Mr. Sengkhammee with Copperwing to talk about the recent video testimonial and photo shoot featuring Alabama ABLE account holders and authorized legal representatives. The collateral from the shoot will be used on social media, website, and paid media. 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 2024 fiscal year. She discussed a spreadsheet showing the Statement of Cash Flows for the scholarship program that showed the balance in the account was \$17,093,603 as of 12/31/24. Ms. Kelley gave an update on the scholarship application numbers and the deadline to apply. Cari Kaup provided an update on the 2025 marketing plan. 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 122,824 active accounts with total assets in the plan of \$2.762 billion. This represents a 0.4% decrease in assets for the quarter and a 11.2% increase for the one-year period. She stated the number of Alabama account holders is 79,404 with \$1.997 billion in plan assets. This is a 0.0% change in Alabama assets for the quarter and 15.1% increase for the one-year period. Ms. Kaup said YTD contributions were \$241.6 million, of which rollover contributions were \$24.0 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 12/31/24 as well as for the month of January 2025. 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 negative absolute performance. Active fixed income managers had positive relative performance, active U.S. equity managers had mixed relative performance, and active international equity managers had modestly negative relative performance. He stated the notable outperformer was DFA Small Cap Value and the underperformers were Vanguard Explorer and T. Rowe Price Large Cap Growth for the quarter. Regarding the Advisor Plan, he noted target portfolios had modestly negative absolute performance. Active fixed income managers had mostly positive relative performance and active international equity managers had mixed performance. Active U.S. equity managers had mixed performance and real estate managers had mostly weak relative performance. Mr. Noe highlighted outperformer T. Rowe Small Cap Value and underperformers DFA Real Estate, Vanguard Emerging Markets Select Stock, T. Rowe Price Integrated Small Cap Growth, and T. Rowe Price Large Cap Growth for the quarter. Mr. Noe also reviewed the 2024 notable fund performance for both plans. The outperformers were Parametric Commodity Strategy and T. Rowe Small Cap Value while the underperformers were Vanguard Emerging Markets Select Stock and Vanguard Explorer. Mr. Noe then spoke to Mr. Hughes's concern of the Program's exposure to long duration bonds which was brought up at the November board meeting. Both Wilshire and Callan presented lists of the managers and funds in the Direct and Advisor Plans that have exposure to longer duration and longer maturity bonds and would be negatively impacted by a sharp rise in interest rates. Most of the funds have a duration of around six years with only a modest percentage of their portfolio in longer maturity bonds. Both Callan and Wilshire agreed that with this information and the smaller dollar amounts that are invested in each of the funds, there is no significant exposure. The written report was received as informational.

4. Callan Consultant's Report – Chair Boozer called on Annoesjka West and Paola Cardenales with Callan to present the Consultant's Report. Ms. Cardenales reviewed three product and/or manager updates regarding Vanguard fee reductions, Dodge and Cox organizational updates, and T. Rowe Price leadership reorganization. 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. Cardenales 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. Karr, seconded by Mr. Warner, with unanimous approval.

C. Informational Items

1. Ms. Kaup stated the annual CollegeCounts audit was performed on both the Advisor and Direct Plans and that there were no findings in the report. The report was received as informational.

2. State Examiner’s Report for Fiscal Years 2018 – 2023 – Ms. Kelley noted the final report from the State Examiner’s examination was included in the board package. She stated there were no findings during the period examined. The report was received as informational.

3. FY 2024 Annual Report – Ms. Kelley noted the Annual Report for the Savings Division which includes PACT, CollegeCounts, and Alabama ABLE Savings Plan was included in the board package. This report is a summary of the FY of each Program and is provided to the Governor, Lt. Governor, and Speaker of the House. The report was received as informational.

4. Statement of Economic Interests Forms – Ms. Kelley said the Statement of Economic Interests forms are due by 04/30/25 and an email link to the form will be sent to all board members.

IV. There being no further business, a motion to adjourn was made by Dr. Karr, seconded by Mr. Warner, with unanimous approval. The meeting adjourned at 10:25 a.m.

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Anita Kelley, Director

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Young Boozer, Chair