

The Board of Trustees of the West Virginia College and Jumpstart Savings Programs

Board of Trustees Special Meeting

315 70th Street, SE – 2nd Floor Conference Room
Microsoft TEAMS Optional

April 16, 2024

2:00 p.m.

The Special Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Tuesday, April 16, 2024, at 2:00 p.m. A silent roll call was taken, and a quorum was established. The following members were present: Steve Bohman (Chair), Chris Heller, Patrick Smith, Phillip Uy, Phyllis Arnold, Dr. Daniel Anderson, Justin Williams, Brian Weingart, and Marguerite Horvath. Bonny Copenhaver was absent.

The following consultants and guests attended: Chris Morvant, representing Hartford Funds; Tim Fitzgerald representing NEPC, LLC; and Christian Jaeger and Ethan Wren representing Dimensional Funds.

The following WVSTO staff members attended: Amy Willard, Sarah Canterbury, Lindsay Marchio, Amy Hamilton, Greg Curry, Karl Shanholtzer, and Elizabeth Liston.

The agenda consisted of the following:

Call to Order – Silent Roll Call

- I. Consideration of the March 20, 2024, Regular Quarterly Meeting Minutes
- II. Investment Committee Report
- III. NEPC Recommendation Letter regarding SMART529 Select Investment Proposal Change
- IV. Consideration of SMART529 Select Investment Proposal Change
- V. Other Business

Adjournment

Before starting with the agenda, the Chair welcomed Clea Harless to the Board. Ms. Harless was recently appointed by Governor Justice to fill one of the two positions from the West Virginia Independent Colleges and Universities. Ms. Harless is a finance professional with experience in public accounting, banking, and nonprofit leadership. She has been the Executive Vice President and Chief Financial Office for the University of Charleston and the Treasurer for the Independent College Enterprise consortium for private colleges for more 20 years.

Agenda Item I.

The Chair indicated the first order of business on the agenda was the approval of the minutes from the March 20, 2024, regular quarterly meeting. The minutes were circulated as part of the Board packet. As there were no additions or corrections to the minutes, a motion to accept the minutes was made by Patrick Smith and seconded by Phyllis Arnold. There being no discussion, the Chair polled the members, and the minutes were approved as presented.

Agenda Item II.

The Chair advised the next item on the agenda was the Investment Committee Report. The Chair recognized Mr. Chris Heller, the Investment Committee Chair, to give the Investment Committee report.

Mr. Heller advised that the Investment Committee met earlier in the day at 1:00 p.m. During the meeting, the Committee approved the meeting minutes from the March 20, 2024, Investment Committee meeting, and heard brief remarks from NEPC regarding their recommendation memo for the SMART529 Select Investment Proposal. Finally, the Committee voted to recommend the Full Board approve the SMART529 Select Investment Proposal.

The Chair asked if there were any questions for Mr. Heller. None were heard. Patrick Smith made a motion to accept the Investment Committee Report, Phyllis Arnold seconded the motion. Hearing no discussion, the Chair polled the members, and the motion carried.

Agenda Item III.

The next order of business on the agenda was the NEPC Recommendation Letter regarding the SMART529 Select Investment Proposal Change. The Letter was previously circulated with the Board packet. The Chair recognized Mr. Tim Fitzgerald from NEPC to present his remarks.

Mr. Fitzgerald advised there is a full recommendation letter in the Board packet. He continued with some of the highlights from the letter. He advised that Board staff and NEPC met with DFA several times to review the proposal. He stated that both the Emerging Markets Core Equity Portfolio, which includes China, and the Emerging Markets ex China Core Equity Portfolio have identical construction methodologies and broad exposure to factors that make up their philosophy and approach. He added that over a 30-year simulated performance, the Emerging Markets ex China Core Equity did slightly better from a long term expected return. He noted that there will be a marginal increase in fees as the new portfolio expense ratio is 43 basis points compared to 40 but given the small percentage of allocation to the overall SMART529 Select Plan, the increase will only be approximately \$16,000 annually, or about .03%.

Mr. Fitzgerald concluded his remarks by advising NEPC is comfortable with the recommendation to go move forward with DFA proposal.

The Chair asked if there were any questions for Mr. Fitzgerald. None were heard.

Agenda Item IV.

The Chair advised the next item on the agenda is the consideration and vote regarding the SMART529 Select Investment Proposal Change presented by Dimensional Fund Advisors at the March 20, 2024, Board meeting. The Chair asked if there were any questions for DFA or STO staff before voting on the proposal. None were heard.

Phyllis Arnold made a motion to approve the SMART529 Select Investment proposal as presented by Dimensional Fund Advisors at the March 20, 2024 Board meeting. Patrick Smith seconded the motion. Hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item V.

The Chair advised the next regular quarterly meeting of the Board will be on June 5, 2024.

Adjournment

The Chair asked if there was further business to be brought before the Board and none was heard. Patrick Smith moved the meeting be adjourned and the motion was seconded by Phillip Uy. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 2:06 p.m.

Prepared by Elizabeth Liston
Board Approval Date: 6/5/24

Submitted by:



Steve Bohman, Deputy State Treasurer