

Agenda Item I.

The Chair indicated the first order of business on the agenda was the approval of the minutes from the August 7, 2024, special 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 Justin Williams and seconded by Chris Heller. 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 Chairman's Report. The Chair recognized Assistant Treasurer of Savings Programs, Amy Willard, and team to give the quarterly report.

Ms. Willard kicked off the Chairman's Report with an update regarding the Morningstar ratings process of 2024. The Morningstar Request for Information, or RFI, response for The Hartford SMART529 was submitted on Friday, August 31, 2024. The RFI response was a joint effort between the WVSTO, Hartford Funds, and NEPC.

Ms. Willard advised there will be a joint call with the Morningstar analyst tomorrow afternoon. We have been assigned a new analyst for this year. WVSTO staff, Hartford Funds, and NEPC will all be in attendance for the meeting.

Ms. Willard noted that only The Hartford SMART529 plan has assets under management reaching the level to be rated by Morningstar.

Ms. Willard turned the meeting over to Amy Hamilton to give the SMART529 operational update, followed by Greg Curry to give the financial update, and concluding with Andrea Herrick to give the Jumpstart operational update.

Ms. Hamilton advised the SMART529 June 30, 2024, quarterly status report was filed with the Legislative Librarian in August and posted on the Treasurer's website. It is included in the Board packet under Tab 2.

Ms. Hamilton continued with the SMART529 Operational Update:

- During the quarter, the SMART529 Savings Plan added 1,307 accounts, ending the period with 109,926 active nationwide accounts. The assets are valued at \$3,051,315,440.
- Of the nationwide accounts, 39,308 are West Virginia resident accounts with a total value of \$826,690,849.

Ms. Hamilton continued with an update on the 2024 Fund the Future Sweepstakes. The contest kicked off on April 10, 2024. Over 3,700 West Virginia children entered the sweepstakes. On May 29, 2024, National 529 Day, Treasurer Moore announced the winner as Molly Dalton of Kingwood, WV. Molly won a \$15,000 SMART529 account.

Ms. Hamilton concluded her report by highlighting that the Treasurer's Office will be hosting the 2024 When I Grow Up essay contest awards banquet September 13, 2024 at the WV Culture Center. The 15 regional winners who have each won a \$500 SMART529 account, will read their essays and a grand prize winner will be randomly selected to win an addition \$4,500. The Teacher essay contest winner will also be recognized. Ms. Hamilton also advised additional activity information can be found under the

community outreach section (Tab 2). Ms. Hamilton turned to meeting over to Greg Curry for the Finance Update.

Mr. Curry advised that under Tab 2 of the Board packet, there are several financial statistics presented. The key fund balances as of June 30, 2024 are:

College and Jumpstart Savings Administration Fund	\$4,743,613
Prepaid Tuition Trust Escrow Fund	\$1,103,572

The balances in the College Savings Trust and Jumpstart Savings Trust Fund are provided as part of the operational updates for those programs.

Mr. Curry concluded by advising staff will submit draft financial statements and supporting documentation to the WV Financial Accounting and Reporting section of WV State Government on September 13, 2024. The final audited financial statements and supporting documentation will be submitted by October 15, 2024. Mr. Curry turned to meeting over to Andrea Herrick for the Jumpstart operational update.

Ms. Herrick advised that Jumpstart is entering a busy season of field work. She noted that over the next ten weeks, Jumpstart representatives will provide program information to high school juniors and seniors from all 55 counties as part of the West Virginia College & Career Exploration Tour. Information sessions will also be conducted at each of the community and technical colleges during the fall semester. Directed outreach to targeted businesses and organizations is ongoing.

Ms. Herrick noted that digital, radio and TV advertising is ongoing, including two commercials that featured two actual Jumpstart Account Owners – a cosmetologist and a manufacturing student. She advised an introductory letter from the Treasurer and brochure was also sent to over 10,000 licensed contractors in West Virginia, representing a variety of trade professions.

Ms. Herrick concluded by advising Treasury staff also completed efforts to streamline the Jumpstart application process for new participants, condensing language and enhancing readability for mobile users. The team is also engaged in long-term program planning and considering some potential enhancements to the program, which will be discussed later in the agenda. Jumpstart ended the quarter with 106 accounts and a total of \$33,365 in assets.

The Chair asked if there were any questions for Ms. Willard and her team. None were heard.

Agenda Item III.

Moving on to the next Agenda item, the Chair recognized Mr. Chris Heller, Chair of the Investment Committee, to give his report.

Mr. Heller advised the Investment Committee met this morning at 9:30 a.m., and first approved the minutes from the August 7, 2024 meeting.

Mr. Heller stated the Investment Committee performed an annual review of the Investment Committee Charter and noted no proposed changes to the existing charter. In addition, the Investment Committee approved a motion to confirm the responsibilities outlined in the Investment Committee Charter were carried out for the fiscal year ending June 30, 2024.

Mr. Heller indicated the Committee heard a presentation from investment consultant, NEPC, regarding the Quarterly Exception Report for the quarter ended June 30, 2024. Based on the information presented and recommendations from NEPC, the Investment Committee had no recommendation to escalate any of the investment options on the Quarterly Exception Report to the Watch List at this time.

The Chair asked if there were any questions for Mr. Heller. None were heard. The Chair asked for a motion to accept the Investment Committee report. Mr. Williams made a motion and it was seconded by Dr. Copenhaver. Hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item IV.

The Chair advised the next item on the agenda is the Quarterly Program Manager Report. The Chair recognized Chris Morvant and team from Hartford Funds, to give the presentation.

Mr. Morvant advised as of June 30, 2024, the SMART529 Program Assets of \$3.05B, were up 5.7% year-over-year. All three plans had an increase in assets, noting the WV Direct Plan assets surpassed \$500m for the first time.

Mr. Morvant advised the total program sales of \$40.2 million in Q2 were up 8.4% compared to the same quarter in the prior year. Sales were positive for all three plans, with WV Direct leading up 17.6%, SMART529 Select up 14.5%, and the Hartford SMART529 Plan up 3.1%.

Mr. Morvant continued by advising the total new accounts were up 10.9% in Q2 2024 relative to Q2 2023, with 1,307 total new accounts opened during the quarter.

Mr. Morvant continued from a client servicing perspective, advising 7,216 calls were handled across all three plans in the second quarter, with an average answer rate of 10 seconds. The call center's 45 second average speed of answer SLA metric is being well met even in months with higher call volumes. For example, April has a higher volume due to tax questions. He added from a processing perspective, 100% of distribution requests were processed on-time.

Mr. Morvant turned the meeting over to Mr. Rick Fuerman, who is the new SMART529 marketing lead at Hartford Funds, to give the marketing update. Mr. Fuerman replaced Justine Bartholomew, who left Hartford Funds in April to accept an outside opportunity.

Mr. Fuerman moved into the marketing update, advising that there was significant traffic to the website for the second quarter and the organic traffic continues to grow and improve. He did note there was a slight decline in Pages per Session and Average Time on page due to the new website being more efficient. Mr. Fuerman advised the new advertising campaign titled "Get Outside" is performing very well and driving a lot of traffic. Mr. Fuerman noted that Hartford Funds is expanding the use of QR codes, which will be helpful at the WVU game. Mr. Fuerman concluded by noting the 2024 Marketing budget of \$675,000.

Mr. Fuerman turned the meeting over to Mr. Jørn Otte to give the field work statistics. Mr. Otte advised on slide 10 there is a comparison of Q2 2024 to Q2 2023. He noted the presentations were up considerably for Q2 2024, and the per week presentations almost doubled. Mr. Otte mentioned a City of Bridgeport open enrollment event, attending the Celebrating Connections Conference which led to 15 presentations, and a Mon Health Open Enrollment with 500 employees. Mr. Otte also remarked on field work with RTR

Debi Lockhart. He attended the MFOA Conference – which produced new enrollments in three cities, presented at the WVSCPA conference to 165 CPAs, and staffed a table at three Community Baby Showers.

The Chair asked if there were any questions for the Hartford team. None were heard.

Agenda Item V.

The Chair advised the next agenda item was Consideration of Updates to the SMART529 Program Manual. The Chair recognized Chris Morvant of Hartford Funds to review proposed changes to the SMART529 Program Manual.

Mr. Morvant, as a reminder, stated the SMART529 Program Manual was updated at the September 2023 Board Meeting, and it was determined that this guide would be reviewed and updated at least annually going forward. He added Hartford Funds complete a cross-functional review of the document and is seeking to incorporate four updates.

- A. Not in Good Order (NIGO) Contribution Procedures Update (Listing of Admin Services 5.1.5)
 - Updated language – Hartford Funds will attempt to resolve contributions received “not in Good Order” via callout or email with contribution checks securely shredded after 5 business days (callout) or 6 business days (email) if the item remains not in Good Order. Ex: Check more than 6 months old.
 - Update language to ensure understanding of the slightly different timeframes for secure shredding between callout and email.
 - Blackline language: “If the contribution is not In Good Order, Hartford Funds will attempt to resolve the not In Good Order item by either making callouts or sending a series of emails. Hartford Funds will securely shred the check.
- B. Investment Policy Statement (Exhibit A)
 - The Investment Policy Statement is an exhibit to the Program Manual, the updated IPS which was approved by the Board at the August 7, 2024 meeting will be incorporated.
- C. Call Center Metric (Exhibit B: Administrative Performance Standards Table)
 - Corrected language for the call center metric consistent with how we presented the metric to the Board since the metric transitioned last year in order to align with the SLA we have in place with our recordkeeping/customer service vendor, Ascensus.
 - Current Call Center Metric Language: “At least 85% of calls shall be answered within 45 seconds.
 - Corrected Call Center Metric Language: “Calls shall be answered within an average of 45 seconds”
- D. Participant Telephone Requests (Exhibit B: Administrative Performance Standards Table)
 - Current Language: “99% of telephone requests will be responded to within 1 business day”.
 - This is legacy language that should be removed. The calls are responded to immediately, as there is no customer service voicemail.

Mr. Morvant concluded by recommending the four updates as presented above. The Chair asked if there were any questions for Mr. Morvant. None were heard. The Chair asked for a motion to accept the updates to the SMART529 Program Manual. Mr. Heller made a motion, and it was seconded by Mr. Williams. Hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item VI.

The Chair recognized Tim Fitzgerald from NEPC to present the program Investment Consultant Quarterly Report.

Mr. Fitzgerald first commented on the markets themselves before getting into the performance. Regarding US equities, the S&P 500 was up over 4% for the quarter. Emerging markets did well and had a bit of a bounce back. Small caps were down. The Russell 2500 small and mid-cap exposure was down, and fixed income was relatively flat. The S&P 500 has hit new all-time highs, due to the markets being highly sensitive to that one name – Nvidia, gaining over 154% at the end of Q2. The company hit a \$3T market capitalization in June, accounting for 1/3 of the S&P's total return. Nvidia is now larger than the gross domestic product of every country in the world except for six. The inflation report in June came in below expectations. Inflation has come down again in July and it is likely, in a few weeks, when the Federal Reserve meets on September 17, 2024, it will likely begin focusing on the jobs market. The Federal Reserve is expected to drop rates at the meeting.

Mr. Fitzgerald pointed out since we are in early election season, we know for sure the markets do not like uncertainty. They don't care who wins or loses, they just want the elections to end. Historically, the control of the House and Senate has more of an impact on the market than who wins the presidential election.

Mr. Fitzgerald highlighted some of the numbers on the Capital Markets Performance Summary as of June 30, 2024. As mentioned previously, the S&P 500 was positive. Large growth was up 8.3% for the quarter, while fixed income was relatively flat. Looking at Core Bonds at .1% with Cash at 1.3%. The growth story continues to be strong. Over the year-to-date period, large growth is up to 20.7% versus the Russell 1000 Value, which is up 6.6%. Mr. Fitzgerald advised there was a lot of volatility in July and August we still saw a bit of a give back of about 2% depending on the market you are looking at. Mr. Fitzgerald paused for questions. None were heard.

Mr. Fitzgerald moved on to the Executive Summary. Under the Exception Report, he noted 1) Based on the new Investment Policy language adopted at the last meeting, there are several investments included in the Quarterly Exception Report. 2) The DFA Emerging Markets Core Equity I fund was replaced by the DFA Emerging Markets ex China Core Equity fund within the SMART529 Select Plan on May 21, 2024.

Under Announcements, Mr. Fitzgerald advised the Hartford Midcap Fund added a portfolio manager to the team, Mr. Timothy Egan, bringing the total to three portfolio managers. Mr. Egan is a very experienced investor. Also, the current Hartford Funds CFO, Greg Frost, will assume the role of President, effective January 1, 2025, after the current president, Jim Davey, retires on December 31, 2024.

Mr. Fitzgerald moved to Performance Detail for the SMART529 WV Direct plan. The WV Direct portfolios are made-up of passive underlying Vanguard funds as well as stable value. The Age-Based 0-3 was up 2.2% for the quarter, with the Age Based 18+ coming up 0.9%. The Age-Based 0-3 was up 17.8% for the last year, with the Age Based 18+ up 4.4%.

Mr. Fitzgerald continued on page 23 with the Performance Detail for The Hartford SMART529. The last quarter performance was strong. The Age-Based 0-3 was up 2.5% and Age-Based 18+ was up 0.9%. Mr. Fitzgerald advised if you look at the static portfolios over the last year, Aggressive Growth was up 18.4% the Conservative Balanced fund was up 8.2%. Mr. Fitzgerald continued with highlights from pages 25 and 26 for the Underlying Funds.

Mr. Fitzgerald concluded with the performance for the SMART529 Select Plan. Over the last year, the Select Aged Based 0-3 portfolio was up 17.1% for the year and the Aged Based 19+/Conservative was up 7.7%. DFA's value oriented approach, which focuses on quality, hasn't kept up over the last year, but is doing well over longer periods.

The NEPC Quarterly Report is attached hereto and made a part hereof. The Chair asked if there were any questions. None were heard.

Agenda Item VII – A.

The Chair indicated the next item on the agenda was the Consideration of a Request for Proposal for the Jumpstart Savings Program record-keeper. The Chair turned the meeting over to Lindsay Marchio, Acting General Counsel, to give the presentation.

Ms. Marchio advised Board staff will seek a motion to approve the issuance of a Request for Proposal (RFP) for recordkeeping services for the Jumpstart Savings Program. Currently, the Jumpstart Savings Program is operating with an underlying deposit product of an FDIC-insured savings account through a contract we have with a banking partner. However, the intention of the legislation has always been to offer investment accounts to Jumpstart Savings participants, similar to a 529 program.

Ms. Marchio said the proposed RFP will be a comprehensive solicitation seeking recordkeeping services for the program. Staff has diligently been working on finding an investment solution for the Program. As part of this due diligence, staff has had exploratory calls with multiple recordkeeper vendors to discuss potential options. Staff believes the most effective way to proceed is to use the West Virginia Board of Treasury Investments (BTI) as the underlying investment structure through its West Virginia Money Market Pool. The BTI is housed in the WV State Treasurer's Office, governed by a 5-member board and is staffed by employees of the WV State Treasurer's Office. Currently the WV Money Market Pool is rated at the highest S&P rating available.

Ms. Marchio said the recordkeeper sought for the Jumpstart Savings Program will work with the BTI investment structure and Jumpstart staff while providing the application and comprehensive online portal for participants, the customer service related to the accounts, management of the Ignite Incentive program, contributions, and distributions from the account, including the availability of a debit card or similar bank card product to participants. The recordkeeper will also be responsible for any required tax reporting and tax documents. Staff anticipate the RFP to be released and awarded by the end of 2024, with an implementation date likely in the second quarter of 2025.

The Chair asked if there were any questions for Ms. Marchio. None were heard. The Chair asked for motion to approve the issuance of a Request for Proposal for recordkeeping services for the Jumpstart Savings Program. Mr. Williams made a motion and Mr. Heller seconded the motion. Hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item VII – B.

The Chair advised the Board would next hear from Andrea Herrick regarding the consideration of implementation of a \$5 non-refundable Jumpstart Savings application fee that becomes the minimum account opening balance if the application is approved.

Ms. Herrick advised that Jumpstart Savings account holders are required to make a \$5 minimum deposit for their Jumpstart Savings Account. That amount was originally \$25, but the Board reduced the amount to \$5 due to obstacles faced in getting account holders to make their initial deposits.

Currently, all Jumpstart Savings applicants are required to complete a two-step application process in order to open an account with United Bank. The applicant completes the online application at wvjumpstart.com, and once they're notified of their application's applications approval by the WVSTO within 1-3 business days, the application is reviewed by United Bank to ensure the application is compliant with federal *Know Your Customer* regulations. The applicant is then contacted by a United Bank Representative to sign the bank's required signature card and make the required \$5 minimum deposit within the next 30 days, in accordance with the bank's terms and conditions.

Ms. Herrick stated staff has received feedback that the account opening process is rather long and cumbersome for Jumpstart applicants, resulting in account closures for funding and compliance issues. In order to prevent future account closures and streamline the customer on-boarding experience, staff are seeking Board approval to implement an up-front non-refundable \$5 application fee for new Jumpstart Savings Accounts that would be collected at the time of application. Applicants would be paying this fee with a debit or credit card and all merchant processing fees would be charges to the Jumpstart Savings Program instead of being passed on to the applicant. When the application has been approved by both the WVSTO and United Bank, and the Account Owner signs the necessary signature card, the \$5 up-front fee will be automatically deposited into the account to establish the require opening balance. Any non-refundable fees collected for applications that are not approved will be transferred to the administrative fund. Based on historical experience to date, the number of Jumpstart applications not approved by either the WVSTO or United Bank is expected to be minimal.

Ms. Herrick concluded by advising this recommended account funding process, with a required fee that is rolled into the account to establish an opening balance, is similar to the one currently used by WVABLE, also administered by the WVSTO.

The Chair asked if there were any questions for Ms. Herrick. None were heard. The Chair asked for a motion to approve the implementation of a \$5 non-refundable Jumpstart Savings Application fee that becomes the minimum account opening balance if the application is approved. Mr. Williams made a motion and Dr. Copenhaver seconded the motion. During discussion, Ms. Arnold inquired if there had been any consideration of raising the fee. Ms. Marchio stated that due to feedback from program participants the fee was lowered from \$25 to \$5 and there will be a comprehensive disclosure statement updated to reflect the \$5 fee and the requirements surrounding the fee.

The Chair asked if there were any further questions or discussion points. Hearing no further discussion, the Chair polled the members and the motion carried.

Agenda Item VII – C.

The Chair advised the Board would next hear from Amy Willard regarding the Consideration of Administrative Funding related to the Jumpstart Savings Program \$5 non-refundable application fee.

Ms. Willard advised when the non-refundable application fee for the Jumpstart Savings Program is collected at the time of application, it is expected to take three business days for the funds to settle in the master Jumpstart Savings Trust Fund account with United Bank. As mentioned in Ms. Herrick's

presentation, the \$5 fee will be transferred to the applicant's individual Jumpstart Savings account once they have signed the required signature card with United Bank.

Because of the potential for timing differences to arise where an application is approved by both the WVSTO and United Bank and the signature card is signed by the account owner in a period of less than three business days, it is possible that the \$5 application fee could be transferred from the master Jumpstart Savings Account to the individual Jumpstart Savings Account before the actual funds are settled into the master account. This could result in the master account temporarily being in a negative balance due to the settlement timing difference.

In discussing the possible implementation of the \$5 non-refundable application fee with United Bank, the bank recommended that the Board consider transferring some administrative funding into the master Jumpstart Savings Trust Fund Account to help ensure that the account is unlikely to fall into a negative balance.

Ms. Willard concluded by advising that after consideration of the typical volume of applications and the average length of time to get signature cards returned to United Bank by Jumpstart applicants, Board staff recommend that the Board authorize the payment of \$75 from the College and Jumpstart Savings Administrative Account to the Jumpstart Savings Trust Fund Account "master account" at United Bank to serve as an administrative balance to alleviate potential timing differences related to the \$5 non-refundable application fees.

The Chair asked if there were any questions for Ms. Willard. None were heard. The Chair asked for a motion to transfer \$75 from the Board's College and Jumpstart Savings Administrative Account into the United Bank Jumpstart Savings Trust Fund "master account" to establish an administrative balance to alleviate potential timing differences related to the \$5 non-refundable application fees. Patrick Smith made a motion. Justin Williams seconded the motion. Hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item VIII.

The Chair recognized Andrea Feirstein from AKF Consulting Group to give a presentation on Board Fiduciary and Governance Responsibilities. The Chair advised it is an honor to have Ms. Feirstein in person at the meeting, as AKF are the leading experts in the 529 industry.

After introductory remarks, Ms. Feirstein directed the Board to Tab 6, Page 4. She advised the IRS creates the ability to do a 529 plan, but it is the WV College Savings Program Act that makes our program issuers of municipal fund securities and gives us the responsibility for the program. Ms. Feirstein stated almost 55% of the state 529 plans sit within a treasurer's office. She said legislation tells you what the business model is going to look like. She further noted that 87% of the programs across the country are operated just as SMART529 is with a turnkey provider like Hartford Funds.

Ms. Feirstein stated, referring to page 7, that regardless of whether a 529 plan is operated by a private program manger or directly by the state, the structural elements are all the same. She added that state law creates the program, it creates a trust where investors are all participants, and the investors select their own investment options – putting their money in what they're getting back or units of the trust. Those units become municipal securities.

Referring to the chart on page 8 of her presentation, Ms. Feirstein noted that the State Entity (WVSTO), sits at the top of the chart and NEPC is your fiduciary as the investment consultant. Hartford Funds, as the fiduciary, is the investment manager and program administrator. Page 9 contains a breakdown of the Flow-of-Funds chart. The program trust actually owns the Hartford funds, the DFA funds, and the Vanguard funds and they are packaged into units – which are then invested by program participants. It's important to remember, those trust units which become part of a municipal trust, become the investments.

Ms. Feirstein on pages 10 & 11, stated that almost every major securities law has an exemption for municipal entities and that the SEC has interpreted the application of these securities laws for 529 programs and have allowed additional exemptions. If the program (SMART529) was not a public entity, we would actually be creating a mutual fund. She added there are many exemptions, but the program is never exempt from the antifraud provisions of the securities law. It is extremely important for the program disclosure documents to be very clear.

On page 12, Ms. Feirstein noted that regardless of oversight and management models, Board members are the highest level of fiduciaries for account owners and beneficiaries. Other parties are fiduciaries by virtue of the work they perform or by contract, including Program Directors and CIOs, Investment Managers, Investment Consultants and Municipal advisors. Breaches of fiduciary duty can cause erosion of public trust and personal liability.

Ms. Feirstein relayed that Board members are fiduciaries and that applies all the way down to Board staff. Anyone responsible for or having discretion over the program or management of the assets could also be deemed to be fiduciaries. Depending on the role, and the degree of discretion you have, whether you are involved in day-to-day operations or management, you could have liability. Ms. Feirstein noted WV Code §18-30-4 reaffirms establishment of the Program and the Board's oversight of the Savings Plan Trust and §18-30-7(a) established the Trust for account owners and beneficiaries and creates the Board's fiduciary duty as Trustee. Federal Laws set best practices. ERISA does not apply but has established the prudent expert standard.

Ms. Feirstein advised the Board's key duties are loyalty, prudence, obedience. The duty of loyalty requires fiduciaries to act solely in the best interest of the Program's account owners and beneficiaries. The creation of the trust brings the Duty of Prudence. Prudence goes to process and how you make decisions. Prudence allows you the use of an investment advisor such as NEPC. Be mindful, even if you delegate to Tim Fitzgerald with NEPC, you are still responsible. For Duty of Obedience, you have to follow the law and program documents.

On page 17, Ms. Feirstein moved on to three other duties that are captured again in the restatement of trusts. Duty to Diversify goes to your investments and flows from prudence. Duty to Refrain from Prohibited Transactions means you can't have a conflict of interest and must always act in the best interest of participants. The Duty to Delegate allows the Board to acquire investment expertise.

Ms. Feirstein, regarding fiduciary liability, stated that very often state law will provide immunity for certain actions by public board members. It may provide a state insurance pool or state funding. Sometimes the Attorney General's office will defend the Board in a lawsuit. While it may be stated the Board really wasn't responsible, there is still an erosion of public trust and that becomes a headline. Another point is as Board Members you are responsible for one another. Ms. Feirstein advised mitigating fiduciary liability is another key area and when things go wrong, the Board must understand it, to mitigate it. In addition,

Board members have a co-liability, you are responsible for each other. It is your duty to watch each other and your vendors.

Ms. Feirstein explained the Board mitigates responsibility by training, providing policies and procedures and getting help through investment consultants. Transparency is key.

On page 21, Ms. Feirstein explained governance is the way you make decisions, it is the way you take actions, and it is the votes you took earlier in this meeting. The key element of governance is transparency so the actions that you take become predictable. Lastly, governance is not about being in the weeds, but having a high-level view and oversight of what is happening in the weeds.

Ms. Feirstein made her last point on governance regarding investment oversight. In reality, the Board is responsible for the investment program and that oversight internally must provide that we are consistent with our resources, including marketing. Mentioning the Investment Policy Statement discussion earlier in the meeting with Mr. Fitzgerald, and the Program Manual with benchmarks with Mr. Morvant, Ms. Feirstein pointed that these are the things the Board needs to be responsible for as a fiduciary.

In summary, Ms. Feirstein explained the Board should look at the essential duties and standards as a fiduciary, putting the participant first. Be prudent, do your homework and be prepared.

The Chair thanked Ms. Feirstein for her presentation.

Agenda Item IX.

Other Business & Adjournment

The Chair asked if there was further business to be brought before the Board and none was heard. The next regularly scheduled meeting will be on December 4, 2024. Mr. Heller moved the meeting be adjourned and the motion was seconded by Mr. Williams. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 11:17 a.m.

Prepared by Elizabeth Liston
Board Approval Date: 12/4/24

Submitted by:



Steve Bohman, Deputy State Treasurer