

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

## Investment Committee Meeting Minutes

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

September 4, 2024

9:31 a.m.

The Investment Committee Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Wednesday, September 4, 2024 at 9:31 a.m. A silent roll call was taken, and a quorum was established. The Chair, Mr. Chris Heller attended the meeting in person. The following members were present via Teams: Ms. Clea Harless and Mr. Patrick Smith.

The following consultants were present via teams: Mr. Chris Morvant; Ms. Allison Mortensen; and Mr. James Glendon representing Hartford Funds. Mr. Tim Fitzgerald representing NEPC, LLC and Ms. Andrea Feirstein representing AKF Consulting Group attended in person.

The following WVSTO staff members attended: Ms. Amy Willard; Ms. Gina Joynes; Ms. Lindsay Marchio; Ms. Mindy Parsley; Ms. Amy Hamilton; Mr. Greg Curry; Mr. Karl Shanholtzer; and Ms. Elizabeth Liston.

### The agenda consisted of the following:

#### Call to Order – Silent Roll Call

- I. Consideration of the Minutes for the August 7, 2024 Special Meeting
- II. Review of Investment Committee Charter and Annual Confirmation of the Completion of the Investment Committee Duties
- III. NEPC Quarterly Investment Report

### Adjournment

#### Agenda Item I.

The Chair indicated the first order of business on the agenda was the approval of the minutes from the Investment Committee special meeting on August 7, 2024. The minutes were previously circulated with the Board packet. Patrick Smith made a motion to accept the minutes as presented. The motion was seconded by Clea Harless. There being no discussion, the members were polled, and the motion carried.

#### Agenda Item II.

The Chair indicated the next order of business on the agenda was the Annual Review of Investment Committee Charter (Charter). The Chair noted that Investment Committee is charged with assessing the adequacy of the Charter annually and requesting Board approval of any necessary changes. The Chair further indicated that after reviewing the Charter language, Board staff currently have no recommended changes to the Charter and that he concurred. Members were polled asking for any concerns or proposed changes regarding the Charter language. Hearing none, the Chair indicated that one of the requirements listed in the Charter is an annual confirmation that the responsibilities outlined in the charter have been carried out. After careful review of the Investment Committee Charter language, the Chair moved to confirm that the responsibilities outlined in the charter have been carried out for the fiscal year ended June 30, 2024. Patrick Smith seconded the motion. There being no discussion, the members were polled and the motion carried.

### Agenda Item III.

The Chair advised that after the adoption of the new Investment Policy Statement at the August 7, 2024 meeting, it is important for the Investment Committee to closely review the Quarterly Exception Report with NEPC each quarter to help determine if any of the investment options included on that report fail to meet the Board's investment criteria and need to be escalated to the Watch List for further review and analysis.

The Chair recognized Tim Fitzgerald of NEPC to review the Quarterly Exception Report for the quarter ended June 30, 2024.

Mr. Fitzgerald reminded the Committee of the new report format and new Investment Policy Statement that were put in place at the August 7, 2024, special meeting. He noted that new criteria has been created which generates a new process around exception reporting. Before every board meeting, there will be discussion regarding funds that may need escalated to the Watch List. Mr. Fitzgerald stated there are a few investments that have met the criteria to be flagged and put on the Exception Report when considering their three- and five-year performance against their benchmark and peers.

Mr. Fitzgerald highlighted a few investments on the Exception Report:

- Hartford Growth Opportunities Fund – This fund has been discussed a lot by the Board over the past year due to performance issues compared to the benchmark. However, the fund has performed well over the quarter year to date, so fund managers are not overly concerned.
- Hartford Multifactor Developed Markets ETF – Underperformance is expected for this fund in the current market environment, but it had a poor 2022.
- Hartford International Growth Fund – This fund underperformed in 2022 but is closely tracking with the benchmark currently.
- Hartford Mid-Cap Fund – The fund's underperformance in 2022 has weighed heavily on its overall performance. NEPC will be analyzing this fund more closely and he expects more detailed discussion at the next meeting.
- DFA One-Year Fixed-Income – NEPC is not concerned with this fund overall. It is a conservative cash portfolio.
- DFA Short-Term Extended Qualify – This fund has performed well over the past twelve to eighteen months.

Ms. Harless asked if the Board and the Investment Committees are receiving this report in summary form and if there have been more detailed discussions with Board Staff. Mr. Fitzgerald indicated that there had been more detailed discussions with Board Staff about these investments, some of which were reviewed in detail at the last due diligence meetings with Hartford Funds.

The Chair asked Mr. Fitzgerald to confirm he was not yet recommending the Hartford Mid-Cap Fund for the Watch List. Mr. Fitzgerald indicated not at this time, but that it is getting close to that level. Mr. Morvant of Hartford Funds indicated that they expect the fund to take a turn and start seeing rewards. Hartford Funds has been taking action steps and monitoring the fund very closely. They are working with an independent risk team at Wellington to address underperformance. The fund added Tim Egan as a dedicated analyst to the fund last year and he has now been elevated to a portfolio manager. Mr. Fitzgerald noted that is not uncommon to add additional portfolio managers to a fund. Mr. Heller noted it was a challenging market for mid-caps and asked what the primary source of the tracking error was right now. Mr. Morvant noted that the fund leans toward growth, but the market turned toward value in 2022. He noted that although there is a growth tilt, the fund has a core benchmark. The fund has a focus on blue-chip, high-quality companies with a strong balance sheet strategy.

The Chair asked if any member wished to recommend to the full Board that any of the investment options currently included on the Quarterly Exception Report for the quarter ended June 30, 2024, be escalated to the Watch List. Hearing no recommendations, the Chair moved to the final agenda item.

### Adjournment

## Adjournment

The Chair advised the next meeting of the Investment Committee will be announced in accordance with the Open Meetings Act once the date and time has been determined. The Chair asked if there was any further business to be brought before the Investment Committee. Hearing none, the Chair made a motion to adjourn the meeting. The motion was seconded by Patrick Smith. Hearing no discussion, the Chair polled the members and the motion carried. The Chair declared the meeting adjourned at 9:49 a.m.

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

Submitted by:



Chris Heller, Chair  
Investment Committee