

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING & INVESTMENT COMMITTEE
MEETING OF NOVEMBER 13, 2019**

A meeting of the West Virginia Consolidated Public Retirement Board's Accounting & Investment (A&I) Committee was held in the Consolidated Public Retirement Board's (CPRB) Legal Conference Room, 4101 MacCorkle Avenue, SE, Charleston, West Virginia, on Wednesday, November 13, 2019. The meeting was called to order at 9:02 a.m. by Jeffrey Vallet, Acting Chairman.

Roll call was taken.

Committee Members present:

Joseph Bunn, Esquire, Chair (*via conference call*)

Mike McKown

Jeffrey Vallet

Committee Members absent:

Mike Hall, *representing Governor Jim Justice*

Diana Stout, Esquire, *representing Treasurer John Perdue*

Others present were:

Jeffrey E. Fleck, CPRB Executive Director

Terasa Miller, CPRB Deputy Director

John Galloway, CPRB Chief Financial Officer

Paula Van Horn, CPRB Teachers' Defined Contribution (TDC) Plan Manager

Nancy Butcher, CPRB Executive Assistant

Chris Meadows, Empower

Don Jurgens, Empower

Bill Thornton, Empower (*via conference call*)

A quorum was present.

Due notice had been posted.

Chairman Bunn announced he would be appointing Mr. Vallet to serve as Chair for the meeting as he was participating via conference call.

Item #1: Approval of Minutes

Mr. McKown made a motion to approve the minutes of the October 2, 2019 meeting. Mr. Bunn seconded the motion. The motion was adopted.

Item #2: TDC Quarterly Investment Review – 9/30/19

Acting Chairman Vallet recognized Bill Thornton of Empower to give an update on the TDC Investments. Mr. Thornton reported that the third quarter was a continuation of the second quarter, and investments were solid but slowing down. He stated that the labor statistics were solid with an average 3.6 percent unemployment and that 128,000 jobs were added in the last quarter. He went on to say that consumer confidence was high and housing prices were slowly going up. He added that equities were still positive, but not as robust. He said that the fourth quarter was looking good.

Mr. Thornton reviewed the Morningstar Ratings. He discussed the fund monitoring and the fund line-up. He added that of the 16 funds, 15 were doing good. He stated that the DFA US Targeted Value R1 had been trailing over the past 3 to 5 years and that Carillon Scout Mid Cap I was beginning to trail. He also reviewed the Mid-Cap bonds and international funds. He also discussed the expenses of the fund. He then answered questions from the committee members.

Mr. Vallet recognized Don Jurgens from Empower to give a TDC Plan Review. Mr. Jurgens stated that while there were no new participants in the TDC plan, the assets continue to grow. He went on to say that 79 percent of the plan participants were achieving their investment goals and have solid investment strategies. He added that 62 percent of the plan participants have an e-mail on file, and he reviewed the Forfeiture/Unallocated Plan Asset details. He then answered questions from the committee members.

Item #5: TDC Outreach and Reality Investing Update

Mr. Vallet recognized Chris Meadows to give an update on the TDC Outreach and Reality Investing. He stated he had held 17 meetings and counseled 54 plan participants. He added that he had held two meetings in conjunction with the CPRB TRS outreach sessions. He stated that to date, he has held 79 meetings and provided 228 individual sessions and 695 distributions and other counseling sessions. He also apprised the committee about *Retirement Readiness Reviews*. He stated that this review begins with the question, “Where are you at today?” and he goes over “what if” scenarios. He then answered questions from the committee members.

Mr. McKown made a motion to place DFA US Targeted Value RI fund on watch. Mr. Bunn seconded the motion. The motion was adopted.

Item #3: TDC Revenue Sharing Summary Quarter ending 9/30/19

Mr. Vallet recognized Paula VanHorn, TDC Manager, to present the TDC Revenue Sharing Summary for the period July 1, 2019 through September 30, 2019. Ms. VanHorn reported that the beginning balance was \$353,247.76 and that the administrative fees collected from participants were \$103,632.28. She added that the Total Net Reallowances were \$111,115.60 and \$112,246.05 was paid by the plan for CPRB administrative expenses. She went on to say that the Net Change in Value was \$937.01, the Total Net Revenue for the Period was -\$193.44 and the Reconciled Ending Balance was \$413,790.78.

Item #4: TDC Weighted Average Returns Quarter ending 9/30/19

Mr. Vallet recognized Paula VanHorn, TDC Manager, to report on the TDC Weighted Average Return. She reported that the Market Value of the Fund was \$549,051,952, the Annualized Rate of Return was 27.58% and the Weighted Average Return was 2.73%. She went on say that the plan had 4,158 participants which was a loss of 19 from the last quarter and 125 from this period last year.

Item #6: Update on RFP for TPA for the TDC Plan

Mr. Vallet recognized Jeff Fleck, Executive Director of CPRB, to give an update on the RFP for the TPA for the TDC Plan. He reported that the contract had been awarded to Empower with an effective date of January 1, 2020. He went on to say that there were no protests to the award. He added that this contract will provide a cost savings to the plan.

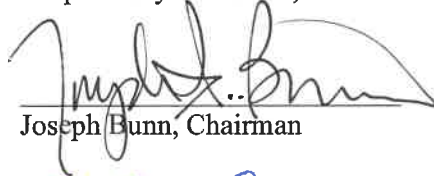
Item #7: Other Business

Mr. Vallet inquired if there was any other business to come before the committee. None was heard.

Adjournment

There being no further business to come before the committee, the meeting adjourned at 9:44 a.m.

Respectfully submitted,



Joseph Bunn, Chairman



Jeffrey Fleck, Executive Director