

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
INVESTMENT COMMITTEE
MEETING OF DECEMBER 10, 2024**

A meeting of the West Virginia Consolidated Public Retirement Board's Investment Committee was held on Tuesday, December 10, 2024 at the Consolidated Public Retirement Board office at 601 57th Street, SE, Charleston, WV 25304. Due notice had been posted.

Call to Order.

The meeting was called to order at 2:34p.m. by Jeffrey Vallet, Chair.

Roll call.

Committee Members present:

Jeffrey Vallet, Chairman
Sarah Long, *Department of Administration (Google meet)*
Mike McKown (*Google meet*)
Beth Morgan (*Google meet*)
Rhonda Bolyard (*Google meet*)
Woodrow Brogan (*Google meet*)

Committee Members absent:

None

A quorum was present.

Others participating in person were:

Jeffrey E. Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Kim Pauley, CPRB Executive Assistant
Paula Van Horn, CPRB, TDC Manager
Craig Slaughter, Investment Officer, WVIMB
Chris Meadows, Empower
Don Jurgens, Empower(*via telephone*)
William Thornton, Empower(*via telephone*)

Item #1: Approval of Minutes

Chairman Vallet said that he would entertain a motion to approve the minutes of the August 27, 2024 Investment Committee.

Ms. Bolyard made a motion to approve the minutes of the August 27, 2024 meeting of the Investment Committee. Mr. McKown seconded the motion. The motion was adopted.

Item #2: TDC Quarterly Plan Investment Review 9/30/24 – Bill Thornton Empower

Mr. Vallet recognized William Thornton to give the TDC Investment Performance for the period ending September 30, 2024. Mr. Thornton reviewed the US Markets, Global Markets, Historic Stock and Bond Plot, and labor market.

Mr. Thornton reported that the third quarter returns were positive at 2.8% but stated that large growth was 8%. He stated that CPI was 2.6 for the headline number for October. He noted that employment numbers are historically still low. Mr. Thornton explained that inflation has continued to go down for this quarter. He informed the Committee that it's been a good year on the fixed income side.

Mr. Thornton reviewed the fund balance and the fund monitoring report. He informed the Committee that the fund line up has held up relatively well. He noted that the Western Asset Core Bond is underperforming and has had some issues on the management side. He mentioned that the Western Asset Core Bond has been put on watch in the last meeting. He stated that the committee has decided to replace the fund. Mr. Thornton reviewed the return revenue from mutual funds to the participants that was discussed in the last meeting, and Mr. Jurgens added that there are two options that can be utilized and explained that one option is to rebate the revenue sharing back to participants accounts on a quarterly basis. He stated it can be done by keeping the current line up or removing the revenue from the line up and moving to a better share class.

Chairman Vallet informed the committee that he would like to keep the funds as they are and rebate the fees back to the participants that are holding those funds in their portfolios, and he stated that the Committee will need to take action on these two matters of business.

Mr. Thornton then offered to answer questions from the Committee members. There was a brief discussion.

Chairman Vallet said that he would entertain a motion to replace the Western Asset Core bond with the Carillon Reams Core ISA.

Mr. McKown made a motion to replace the Western Asset Core Bond with the Carillon Reams Core ISA. Ms. Morgan seconded the motion. The motion was adopted.

Chairman Vallet said that he would entertain a motion to return revenue sharing from mutual funds to the participants.

Mr. McKown made a motion to return revenue sharing from mutual funds to the participants. Ms. Long seconded the motion. The motion was adopted.

Mr. Thornton then offered to answer questions from the Committee members. There was a brief discussion.

Item #3: TDC Plan Performance Insights September , 30,2024- Don Jurgens Empower

Mr. Vallet recognized Don Jurgens of Empower to review the TDC Plan Performance Insights ending September 30, 2024. Mr. Jurgens reported that the plan balance was \$753,987,775 with 3,471 participants. He said that the average participant balance was \$217,225 and 73.6 percent of participants are doing their own investment strategy. He also reviewed the year-to-date participant activity, the distribution activity, the equity exposure, the rate of return and the plan insights by age. He then answered questions from the committee members.

Item #4: TDC Outreach Update- Chris Meadows- Empower

Mr. Vallet recognized Chris Meadows of Empower Retirement. Mr. Meadows gave the Educational Meetings report. He reported that since the last committee meeting, he had conducted 808 educational counselling sessions and 335 distribution counseling sessions for a total of 1143 sessions for the end of the third quarter. He added that his Net Promoter Score (NPS) was 100. Mr. Meadows also said that 71 percent of his sessions are related to education and 29 percent are related to distribution. Director Fleck praised Mr. Meadows for achieving the 100 percent net promoter score across the board and congratulated him for the outstanding job that he is doing. Mr. Meadows reviewed the diversification results for the committee.

He then answered questions from the Committee members. There was a brief discussion.

Item #5: Review of IMB Defined Benefit Pension Assets 9-30-24 – Craig Slaughter

Mr. Vallet recognized Craig Slaughter, Investment Officer of the West Virginia Investment Management Board (WVIMB), who gave a review of the Plan Investments for the period ending September 30, 2024. Mr. Slaughter started by reviewing the returns as of November 30, 2024, saying that November was a very good month with numbers up 2% and that put the FY return up to 5.3 but unfortunately December was not so good, and numbers dipped down to negative 1.3% for

December and 3.9% for the FY return. Mr. Slaughter stated that the Federal Reserve System took a wait and see perspective which was twofold with a new President taking office and the economy doing better than they anticipated and it proved to be more resilient than originally thought. Mr. Slaughter explained that the economy slowed but did not go into a recession. He informed the Board that the markets were down for December. He added bonds were up 1% and that the Magnificent Seven just keeps growing and driving the markets. Mr. Slaughter reviewed the investment data and the performance report for the board.

Mr. Slaughter asked if there were any questions from the Board. There was a brief discussion among the Board members.

Item #6: TDC Q2 Weighted Average Returns- Paula Van Horn

Mr. Vallet recognized Paula Van Horn, TDC Manager, to review the TDC Weighted Average Returns for the quarter ending September 30, 2024. Ms. Van Horn reported that the market value of the fund was \$741,176,871 the plan participants were 3,557 and the Weighted Average Return was 8.35%. She went on to say that the prior quarter weighted average return was 28.15 %, the prior year weighted average return was 21.01 %. She informed the Committee that under the fund alert the western asset core bond was put on watch in the last meeting and they are mapping the Putnam large cap to IS platform and removed the Carillon Scout from the watch list. She then answered questions from the committee members.

Item #7: TDC-2024 3Q Revenue Sharing & Administrative Account Report -Paula Van Horn

Mr. McKown recognized Paula Van Horn, CPRB TDC Manager, to review 2024 3rd quarter Admin and Revenue Sharing Account Report. She stated that the report was for the period July 1, 2024 through September 30, 2024 and the beginning balance was \$2,401,857.22 and the Net Administrative Fees were \$88,014.94 and the Total Net Reallowances was \$132,762.87 She went on to say that the Reconciled Ending Balance was \$2,672,953.11.

She then answered questions from the committee members.

Item #8: Old Business

Mr. Vallet inquired as to old business. There was none.

Item #9: New Business

Mr. Vallet inquired as to new business. There was none.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:24 p.m.

Respectfully submitted,



Jeffrey Vallet, Chairman



Jeffrey Fleck, Executive Director