

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
INVESTMENT COMMITTEE  
MEETING OF AUGUST 27, 2024**

A meeting of the West Virginia Consolidated Public Retirement Board's Investment Committee was held on Tuesday, August 28, 2024 at the Consolidated Public Retirement Board office at 601 57<sup>th</sup> Street, SE, Charleston, WV 25304. Due notice had been posted.

**Call to Order.**

The meeting was called to order at 3:00p.m. by Jeffrey Vallet, Chair.

**Roll call.**

**Committee Members present:**

Jeffrey Vallet, Chairman  
Acting Cabinet Secretary John McHugh  
Mike McKown (*Google meet*)  
Beth Morgan (*Google meet*)  
Rhonda Bolyard  
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 May 13, 2024 Investment Committee.

**Mr. McKown made a motion to approve the minutes of the May 13, 2024 meeting of the Investment Committee. Mr. Brogan seconded the motion. The motion was adopted.**

**Item #2: TDC Quarterly Plan Investment Review 6/30/24 – Bill Thornton Empower**

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

Mr. Thornton reported that the second quarter was rough but stated that large growth was up 8% and everything else was down about 2% for the second quarter. He noted that employment numbers are strong at 4.3% and reported the numbers on the labor side were starting to deteriorate. Mr. Thornton stated that fixed income was flat for the quarter. He reported that inflation has been the big issue for this quarter, but he noted we are moving away from inflation and hoping to see the soft landing that the FED( Federal Reserve) has tried to engineer.

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 stated they will continue to monitor this fund, and he has some replacements in mind and will bring to the next meeting.

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

**Item #3: Target Date Funds -Empower lifetime 2030, 2040, 2050 Trusts-Bill Thornton**

Mr. Thornton reviewed the Additional Target Date Funds -Empower lifetime 2030, 2040 & 2050 Trusts for the committee. He stated that when CPRB decides to make any changes that Empower can make this happen and it will be a smooth transition of any change that takes place.

Ms. Bolyard added that she would like to thank Chairman Vallet & Director Fleck for always asking the poignant questions and always having the best interest at heart for all the retirees. She mentioned she was very humbled to be on this Board and thanked everyone for all of their hard work.

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 approve the three Target Date Funds -Empower lifetime 2030, 2040, 2050 Trusts.

**Mr. McKown made a motion to approve the three target date funds-Empower Lifetime 2030, 2040 & 2050 Trusts. Mr. McHugh seconded the motion. The motion was adopted.**

He reviewed Western Asset Core Bond and mentioned that it has been discussed a few times with the Committee about adding them to the watch list and after a brief discussion with the Committee the fund will be added to the watchlist. Mr. Thornton stated that he would send out some options to the Committee before the next meeting for the Committee to review.

Chairman Vallet said that he would entertain a motion to put the Western Asset Core bond on the watchlist subject to replace at the next meeting.

**Mr. McKown made a motion to put the Western Asset Core Bond on the watchlist.**

**Mr. McHugh seconded the motion. The motion was adopted.**

Mr. Thornton reviewed the expense ratios, and he informed the Committee that he had good news to share with everyone, Empower will be starting a new ISA, and it is the Putnam Large Cap value. He added that it is doing fantastic and will be available in January 2025. He informed the committee if they are interested, he can bring some options to the next meeting. He reviewed the fund and had a brief discussion with the Committee. Mr. Vallet responded by saying that this sounds like a great idea since we will have a higher rate of return for our retirees and lower expenses.

Chairman Vallet said that he would entertain a motion to approve the additional ISA platform Putnam Large Cap Value when it becomes available.

**Mr. McKown made a motion to map the ISA fund and approve the additional ISA platform Putnam Large Cap Value.**

**Mr. McHugh seconded the motion. The motion was adopted.**

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

**Item #4: Additional Review of Investment Policy Statement- William Thornton -Empower**

Mr. Vallet recognized Don Jurgens and William Thornton of Empower to give an overview of the Investment Policy Statement, and he noted there were a couple of minor changes. He reviewed the changes with the Committee.

Chairman Vallet said that he would entertain a motion to approve and amend the Investment Policy Statement to reflect that it is an informal review and to amend the minor changes and modifications.

**Mr. McHugh made a motion to approve and amend the Investment Policy Statement to adopt and to amend the minor changes and modifications.**

**Mr. Brogan seconded the motion. The motion was adopted.**

Mr. Thornton reviewed the funds on watch for the Committee. Deputy Director Miller inquired about the Carillion Scout Mid Cap being on watch and Mr. Thornton replied that it had rebounded very nicely. There was a brief discussion with the Committee.

Chairman Vallet said that he would entertain a motion to remove the Carillion Scout Mid Cap from the watch list.

**Mr. McHugh made a motion to approve the removal of the Carillion Scout Mid Cap from the watch list.**

**Mr. McKown seconded the motion. The motion was adopted.**

**Item #5: TDC Plan Performance Insights – June 30, 2024 -Don Jurgens- Empower**

Mr. Vallet recognized Don Jurgens of Empower, to review the TDC Plan Performance Insights ending June 30, 2024. Mr. Jurgens reported that the plan balance was \$740,678,516 with 3,512 participants. He said that the average participant balance was \$209,584 and 74.8 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 #6: 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 554 educational counselling sessions and 210 distribution counseling sessions for a total of 764 sessions for the end of the second quarter. He added that his Net Promoter Score (NPS) was 100. Mr. Meadows also said that 76 percent of his sessions are related to education and 24 percent are related to distribution. Mr. Jurgens praised Mr. Meadows for achieving the 100 percent net promoter score across the board and mentioned that he's very proud 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 #7: Review of IMB Defined Benefit Pension Assets 6-30-24 – 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 June 30, 2024. Mr. Slaughter commented that the 7.9% investment return was driven by US equity. He added that US large cap equity stocks outperformed 93 basis points this past year. He stated that in June International stocks were up 2.9%. Mr. Slaughter noted that private markets have a lower return and were outperformed. He reviewed the portfolio in detail and informed the committee that across the board everything is looking very good. He stated that we may see a soft landing with the potential for inflation rates to come down and a reduction in interest rates.

He then answered questions from the committee members.

**Item #8: Fiscal year 2024 TDC Administrative Expense Fund – Paula Van Horn**

Mr. Vallet recognized Paula Van Horn to give her report. Ms. Van Horn reviewed each of the retirement systems the period ending June 30, 2024. She noted that the Board would need to take action to move \$325,789 from the TDC Administrative expense fund to pay CPRB this amount. She then offered to answer questions from the Committee.

Mr. Vallet stated that he would entertain a motion to accept and to recommend to the Board to approve the report and move \$ 325,789 from the TDC Administrative expense fund.

**Mr. Brogan made a motion to approve the report and recommend that the approve moving the 281,575 from the TDC Administrative account. Mr. McKown seconded the motion. The motion was adopted.**

**Item #9: TDC-2024 2Q Revenue Sharing & Administrative Account Report -Paula Van Horn**

Mr. McKown recognized Paula Van Horn, CPRB TDC Manager, to review 2024 2<sup>nd</sup> quarter Admin and Revenue Sharing Account Report. She stated that the report was for the period April 1, 2024 through June 30, 2024 and the beginning balance was \$2,216,094.06 and the Net Administrative Fees were \$92,280.22 and the Total Net Reallowances was \$120,832.76 She went on to say that the Reconciled Ending Balance was \$1,828,593.75.

She then answered questions from the committee members. There was a brief discussion regarding the ISA platform funds, Chairman Vallet inquired to the Committee if they would like to take action today and vote to have the effective date January 1, 2025. Mr. Jurgens recommended two different ways to resolve this would be to bring back options to the next Investment Committee meeting and vote then or take action today. Chairman Vallet recommended that he would like to take action today to reduce fees to zero on the remaining ISA platform funds and to make it effective January 1, 2025.

**Ms. Bolyard made a motion to remove all ISA revenue sharing fees on the remaining ISA platform Funds and make it effective January 1, 2025**

**Mr. McHugh seconded the motion. The motion was adopted.**

**Item #10: 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 June 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 then answered questions from the committee members.

**Item #11: Old Business**

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

**Item #12: 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 4:07 p.m.

Respectfully submitted,

  
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Jeffrey Vallet, Chairman

  
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Jeffrey Fleck, Executive Director