

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
INVESTMENT COMMITTEE  
MEETING OF AUGUST 16, 2022**

A meeting of the West Virginia Consolidated Public Retirement Board's Investment Committee was held on Tuesday, August 16, 2022 at the Consolidated Public Retirement Board office at 4101 MacCorkle Avenue, SE, Charleston, WV 25304. Due notice had been posted.

**Call to Order.**

The meeting was called to order at 3:01 p.m. by Jeffrey Vallet, Chair.

**Item #1: Roll call.**

**Committee Members present:**

Jeffrey Vallet, Chair (*in person*)  
Cabinet Secretary Mark D. Scott (*in person*)  
Mike McKown (*via telephone*)  
Beth Morgan (*via telephone*)

**Committee Members absent:**

Rhonda Bolyard

**A quorum was present.**

**Others participating in person were:**

Jeffrey E. Fleck, CPRB Executive Director  
Terasa Miller, CPRB Deputy Director  
Nancy Butcher, CPRB Executive Assistant  
Paula VanHorn, CPRB TDC Manager  
John Galloway, CPRB CFO  
Tom Sauvageot, Investment Officer, WVIMB  
Chris Meadows, Empower  
Don Jurgens, Empower  
William Thornton, Empower  
Mary Beth Daubenspeck, Empower

**Item #2: Approval of Minutes**

Chairman Vallet said that he would entertain a motion to approve the minutes of the May 3, 2022 Investment Committee.

**Mr. McKown made a motion to approve the minutes of the May 3, 2022 meeting of the Investment Committee. Mr. Scott seconded the motion. The motion was adopted.**

**Item #3: Review of IMB Defined Benefit Pension Assets – 6/30/22**

Mr. Vallet recognized Tom Sauvageot, Investment Officer of the West Virginia Investment Management Board (WVIMB), who gave a review of the Plan Investments for the period ending June 30, 2022. Mr. Sauvageot commented that two things were adding to the market downturn: geopolitical risks (Russian invasion of Ukraine) and inflation. He added that the downturn in the market, like the one that is currently happening, has not been seen since the 1970's when both bonds and public treasuries were doing poorly. He added that in spite of all this, corporate earnings were strong. He then answered questions from the committee members.

**Item #4: TDC 2<sup>nd</sup> Quarter Plan – 6/30/22**

Mr. Vallet recognized William Thornton of the Advised Asset Group to give the TDC Investment Performance for the period ending June 30, 2022. Mr. Thornton reviewed the Asset Summary and said that overall the lineup looks relatively good but from a return basis, it had been a terrible six months but versus the lineup's peer group, it is doing pretty well. He also reviewed the Fund Monitoring. He stated that the first four months of this year, the 10-year treasury experienced its worst performance since 1788. There was discussion regarding funds that have been on watch and he then recommended removing the Great-West T. Rowe Price Mid Cp Gr Inv and the T. Rowe Price QM US Small-Cap Gr Eq from the committee's watch list based on their improved performance. Chairman Vallet stated that he would entertain a motion to remove those two funds from the watch list and to recommend to the Board the approval of their removal from the watch list.

**Mr. Scott made a motion to remove the Great West T. Rowe Price Mid CP Gr Inv and the T. Rowe Price QM US Small-Cap Gr Eq from the committee's watch list and recommend that the Board approve the removal of those funds from the watch list. Mr. McKown seconded the motion. The motion was adopted.**

**Item #5: SecureFoundation Overview and Options**

Mr. Vallet recognized Don Jurgens and William Thornton of Empower to give an overview of the SecureFoundation fund. Mr. Jurgens reminded the committee of the discussion from the last meeting that the Great-West SecureFoundation fund was a guaranteed lifetime income fund and in

2011, as a part of the new contract with Empower, participants had been moved into these funds from the Franklin Funds. He stated that there were 1048 total Secure Foundation participants, 882 that were mapped in on June 22, 2011, 108 that had managed account inclusion, and 58 participants that selected the fund on their own. Mr. Thornton explained how the fund works, specifically protecting the participants' retirement income when the market is down, providing benefits when the market goes up and allowing the participants to receive retirement income for life, adding that the negative is the cost associated with the fund. Mr. Jurgens discussed ways for addressing the issue of participants not using the fund to their advantage and again, the cost associated with the administration of the fund.

After discussion regarding educating the participants of the Great-West Secure Foundation Balanced Trust investment fund, it was decided that a focused campaign would be the best option for educating the participants that are currently in the Secure Foundation funds as to their options. The Committee did not take any formal action but decided to discuss it again at their next meeting.

#### **Item #6: TDC Plan Performance Insights – June 30, 2022**

Mr. Vallet recognized Don Jurgens of Empower, to review the TDC Plan Performance Insights ending June 30, 2022. Mr. Jurgens reported that the plan balance was \$599,111,187 with 3,791 participants. He said that the average participant balance was \$158,035 and 77.2 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 #7: TDC Outreach Update**

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 243 educational counselling sessions and 110 distribution counselling session for a total of 353 virtual sessions for a total of 749 for the year. He added that his Net Promoter Score (NPS) was 100. Mr. Meadows also said that 79 percent of his sessions are related to education and 21 percent are related to distribution.

#### **Item #8: TDC Weighted Average Returns**

Mr. Vallet recognized Paula Van Horn, TDC Manager, to review the TDC Weighted Average Returns for the quarter ending June 30, 2022. Ms. Van Horn reported that the market value of the fund was \$603,836,900, the plan participants were 3,826 and the Weighted Average Return was -40.21 percent. She went on to say that the prior weighted average return was -18.86 percent, the prior year weighted average return was 22.80 percent. She added that the participant count change since the prior quarter was -41 participants and for the prior year it was -132 participants.

**Item #9: Old Business**

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

**Item #10: 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 4:15 p.m.

Respectfully submitted,

  
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Jeffrey Vallet, Chair

  
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Jeffrey Fleck, Executive Director