

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
INVESTMENT COMMITTEE
MEETING OF MARCH 14, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board's Investment Committee was held on Tuesday March 14, 2023, 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.

Roll Call

Committee Members present:

Jeffrey Vallet, Chair
Cabinet Secretary, Mark D. Scott
Mike McKown
Beth Morgan (via telephone)
Rhonda Bolyard (via telephone joined at 3:08 pm)

Committee Members absent:

Woodrow Brogan

A quorum was present.

Others attending in person were:

Jeffrey E. Fleck, CPRB Executive Director
Kim Pauley, CPRB Executive Assistant
Paula Van Horn, CPRB TDC Manager
Chris Meadows, Empower
Don Jurgens, Empower
William Thornton, Empower
Mary Beth Daubenspeck, Empower (via telephone)
Alysia Miller, CPRB Paralegal

Item #1: Approval of Minutes

Chairman Vallet said that he would entertain a motion to approve the minutes of the November 29, 2022 Investment Committee.

Mike McKown made a motion to approve the minutes of the November 29, 2022 meeting of the Investment Committee. Mark Scott seconded the motion. The motion was adopted.

Item #2: TDC Plan Investment Review – December 31, 2022- (Bill Thornton-Empower)

Mr. Vallet recognized Bill Thornton of Empower to present the TDC Investment Performance for the period ending December 31, 2022.

Mr. Thornton reviewed the US Markets, Global Markets, Historic Stock and Bond Plot, and labor market.

Mr. Thornton discussed stock market performance stating that capital market performance ended the year as one of the worst in decades with both equities and bonds down together for the third time since 1926. He stated that the S&P was down - 19.4% and the Bloomberg Aggregate Bond Index set a record by ending the year down- 13%. Mr. Thornton stated that inflation has been the big issue for the last eighteen months. He noted that employment numbers are strong and wage inflation does not subside very quickly. He noted that with everything he reads and has seen he expects inflation to settle into a 4 % range and slowly come back down.

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 stated that the T. Rowe Price Blue Chip growth fund has been on a watchlist with chronic underperformance for the last four years and it still has not recovered. Mr. Thornton reminded the committee that at the last meeting they considered changing the fund. He presented & discussed three fund options to replace the T Rowe Price Blue Chip Fund.

Jeffrey Vallet stated he would entertain a motion to authorize Empower to replace T. Rowe Price Blue Chip Fund with J.P. Morgan Large Cap Growth Fund.

Mike McKown made a motion to authorize Empower to replace the T. Rowe Price Blue Chip Fund. Mark Scott seconded the motion. The motion was adopted.

Mr. Thornton informed the Committee that Institutional Separate Accounts (ISA) are now available to TDC plan members. He explained the concept & cost savings of

using an ISA. There was a discussion about education with the members on the new options.

Jeffrey Vallet stated that he would entertain a motion to authorize Empower to utilize ISA (Institutional Separate Accounts).

Mike McKown made a motion to authorize Empower to utilize Institutional Separate Accounts (ISA) Mr. Scott seconded the motion. The motion was adopted.

Item #3: TDC Annual Plan Review – December 31, 2022- (Don Jurgens-Empower)

Jeffrey Vallet recognized Don Jurgens of Empower, to review the TDC Annual Plan Performance Review as of December 31, 2022.

Mr. Jurgens reported that the total plan assets were \$601,194,032 and it had 3,733 participants. He said that the average participant balance was \$161,049 and that 77.3 percent of participants were doing their own investment strategy. Mr. Jurgens reviewed cash flow, distribution activity, equity exposure, and the rate of return. He then answered questions from the committee members.

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

Jeffrey Vallet recognized Chris Meadows of Empower to update the Committee on TDC educational outreach.

Mr. Meadows reported that he had conducted 1012 educational counseling sessions and 294 distribution counseling sessions for a total of 1306 sessions for calendar year 2022. He stated that the 2023 Participation Engagement Outlook focuses on three items: 1) Financial Education, 2) Strategic/Direct Campaigns and 3) Retirement Readiness Review. He explained that the satisfaction survey had very good feedback. He scored a 4.7 out of 5 in overall knowledge, and ability to resolve issues. The top three discussion topics chosen by participants to discuss were withdrawal strategy & retirement, steps to take when nearing retirement and retirement age goals that fit their needs best.

Item #5: TDC Weighted Average Returns- (Paula Vanhorn)

Mr. Vallet recognized Paula Vanhorn, TDC Plan Manager, to review the TDC Weighted Average Returns for the quarter ending December 31, 2022.

Ms. Vanhorn reported that for the fourth quarter the market value of the fund was \$605,322,721 and the weighted average return was 19.59 percent. She stated that there are 3,762 participants, which is down 45 participants for the quarter and 145 for the year.

Item #6: Defined Benefit Pension Assets – December 31, 2022- (Craig Slaughter-WVIMB)

Mr. Vallet recognized Craig Slaughter, Investment Officer for the West Virginia Investment Management Board (WVIMB) to review the defined benefit plans investment performance.

Mr. Slaughter reported that the plans were up January 4.1 percent and up about 5.8 percent for the fiscal year to date. Mr. Slaughter informed the Committee that he had two items of concern and that was the Silicon Valley Bank & Signature Bank issues and inflations. He stated that Silicon Valley Bank problem highlighted easy money often results in inflation and rising rates. Mr. Slaughter also mentioned long-term inflation and how we are going to have to be patient because it is going to be up one month and down the next.

Mr. Slaughter offered to answer questions from the committee members.

Item #7: Old Business

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

Item #8: New Business

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

Adjournment

There being no further business, the meeting adjourned at 4:03 p.m.

Respectfully submitted,



Jeffrey Vallet, Chair



Jeffrey Fleck, Executive Director