



Meeting Minutes | Retirement Policy Committee

Tuesday, November 30, 2021 | 11:30 a.m.

202 Arbor Lake Dr., Columbia, SC 29223 | First Floor Conference Room | Via Zoom Teleconference

Minutes approved March 2, 2022

Board Members Present for All or a Portion of the Meeting: Mr. Steve Heisler, Chairman Paige Lewis, and Mr. Ed Walton.

Board Members Present for All or a Portion of the Meeting Via Telephone: Sheriff Steve Mueller

Others Present for All or a Portion of the Meeting: Peggy Boykin, Robby Brown, Ashley Brindle, Sarah Corbett, Heather Muller, Tammy Nichols, Travis Turner, Stephen Van Camp, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); and Nancy Ornduff from Empower Retirement.

Others Present for All or a Portion of the Meeting Via Telephone: Amber Carter, Jessica Moak, Angie Warren, and Justin Werner from PEBA; and Rob Hungerbuhler and Mike Wright from Segal Marco Advisors.

I. Call to Order

Chairman Paige Lewis called the PEBA Retirement Policy Committee (Committee) meeting to order at 11:30 a.m. and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes- October 6, 2021

Mr. Steve Heisler made a motion, which was seconded by Mr. Ed Walton, and passed unanimously, to approve the minutes from the October 6, 2021, Committee meeting.

III. Defined Contribution Plans Quarterly Investment Performance Report

Mr. Mike Wright and Mr. Rob Hungerbuhler, from Segal Marco Advisors, presented the South Carolina Defined Contribution Plans report for the quarter ending September 30, 2021. Mr. Wright provided a market overview and stated that U.S. equity was relatively flat for the third quarter, but returns year-to-date are 31.9 percent. International equities although down for the quarter, remained strong with returns year-to-date of 25.7 percent. Mr. Wright added that the Gross Domestic Product was also up two percent for the third quarter.

Mr. Hungerbuhler reviewed the South Carolina Deferred Compensation Program (Deferred Comp) investment performance for the third quarter of 2021 and reported that the book to market value for the Plan's stable value fund was 102.4 percent at the end of the third quarter.

Mr. Hungerbuhler advised that T. Rowe Price recently announced that the portfolio manager for the T. Rowe Price Mid-Cap Value 1 fund will be retiring on June 1, 2022. A new portfolio manager has been named, and Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Hungerbuhler reported that the T. Rowe Price Growth Stock fund placed below its index for the three and five-year periods, but the most recent one-year period shows improvement in performance as the fund outperformed its index and placed in the top quartile of the peer group. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Hungerbuhler stated that the Hartford Mid Cap fund placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Hungerbuhler reported that the American Beacon Small Cap Value fund placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright turned the discussion to the State Optional Retirement Program (State ORP) investment performance for the third quarter of 2021, and advised that under the AIG investment lineup both the Fidelity Emerging Markets Index and the Fidelity International Index placed below their respective indices. Segal Marco is reviewing the performance and tracking error of these funds and has placed them on an informal review.

Mr. Wright stated that the State Street Target Date Retirement Fund series continues to meet the standards regarding performance, risk, fees, assets and style consistency. Segal Marco is reviewing target date funds and benchmarks across all four service providers.

Mr. Wright reported that the MassMutual Select Blue Chip Growth 1 fund in the Empower Retirement (formally MassMutual) investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright advised that the American Beacon Small Cap Value fund, also on the Empower Retirement investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright stated that the Fidelity Total International Index fund, also on the Empower Retirement investment lineup, placed below its index for the three and five-year periods, and Segal Marco is reviewing the performance and tracking error of the fund and has placed it on an informal review.

Mr. Wright reported that the T. Rowe Price Target Date Funds continues to meet the standards regarding performance, risk, fees, assets and style consistency. Segal Marco is reviewing target date funds across all four service providers.

Mr. Wright advised that the CREF Stock fund on the TIAA investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright advised that the CREF Inflation Linked Bond fund, also on the TIAA investment lineup, placed below its index for the three and five-year periods and is in the bottom half of its peer group universe. Segal Marco will continue to monitor this investment option on an informal basis.

Mr. Wright reported that the TIAA-CREF Lifecycle funds, also on the TIAA investment lineup, have not met expectations, and Segal Marco is reviewing target date funds across all four service providers.

Mr. Wright stated that none of the investment options in the current Voya lineup are under informal review.

IV. Deferred Compensation Program Quarterly Plan Summary

Ms. Nancy Ornduff, from Empower Retirement, presented the third quarter of 2021 Deferred Compensation Program quarterly plan summary to the Committee. Ms. Ornduff reviewed the plan statistics for the third quarter, including participant accounts; assets; contributions and distributions; rollovers; and participating employers.

Ms. Ornduff concluded her presentation by reviewing retirement plan advisory activity; outreach to participants and employers during the third quarter; and website and call center statistics.

V. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated she would provide the Director's Report at the full Board meeting.

VI. Adjournment

There being no further business, and upon motion by Mr. Heisler, which was seconded by Mr. Ed Walton, and approved unanimously, the Committee meeting adjourned at 12:21 p.m.